

# Electronic Benefit Transfer (EBT) Project



## **Request for Proposal for EBT Services**

*Section 6, Business and Technical Requirements*

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***RFP-OSI-0530-204***  
***Addendum #1***

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California Health and Human Services Agency  
Office of Systems Integration

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## **6 Business and Technical Requirements**

This section of the RFP contains all business and technical requirements to support the transition and ongoing operations of California's EBT program. It is divided into the following requirements sets:

- 6.1 Governing Regulations
- 6.2 Project Staffing
- 6.3 Project Management
- 6.4 Account Structure
- 6.5 Transaction Processing
- 6.6 Third-Party Processors
- 6.7 Administrative Application
- 6.8 Correction Requests and Adjustments
- 6.9 Automated Response Unit/Customer Service Call Center
- 6.10 Client Website
- 6.11 Card Issuance and Card Specifications
- 6.12 Personal Identification Numbers
- 6.13 Cash Access
- 6.14 Restaurant Meals Program
- 6.15 Retailer Conversion and Ongoing Support
- 6.16 Settlement and Reconciliation
- 6.17 Training
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- 6.22 Host-to-Host and Batch Interfaces
- 6.23 SARS Interface
- 6.24 System Testing
- 6.25 EBT Switch
- 6.26 Capacity Planning
- 6.27 EBT-Only POS Devices
- 6.28 Wireless POS Devices
- 6.29 Balance Inquiry-Only POS Devices
- 6.30 Business Continuity
- 6.31 EBT Disaster Services

- 6.32 End-of-Contract Changeover
- 6.33 Reports
- 6.34 Document Management
- 6.35 Deficiency Management
- 6.36 Configuration Management

Each requirements set begins with a background discussion that provides the general information and context for the particular requirements set. The requirements are presented in table format, and there is a table for each requirements set.

Bidders are expected to respond to each requirements set in their proposal. Refer to Section 5.8, Response to Business and Technical Requirements, for information on what to provide in each response.

To assist the bidder in understanding what information is to be provided in required deliverables, the state has prepared Data Item Descriptions (DIDs) for selected deliverables. The DIDs are provided in Appendix F.

## **6.1 Governing Regulations**

### **6.1.1 Background**

The selected Contractor must comply with all applicable rules and regulations governing EBT systems, system operations, and software and equipment ownership. The order of precedence of applicable rules and regulations is the following:

- Federal statutes and regulations.
- State statutes and regulations.
- Quest<sup>®</sup> Operating Rules (Version 1.5 or later) and applicable network rules.
- International Organization for Standards (ISO) and American National Standards Institute (ANSI) standards relating to financial transactions.

Federal and state law, including but not limited to FNS rules and regulations, control and have priority over the Quest<sup>®</sup> Operating Rules and other network rules, as applicable. If there is a conflict within the governing regulations regarding a specific standard, the state will determine statutory interpretation or perceived conflict and will seek guidance for the Contractor, if appropriate. In determining the appropriate standard, the state will allow consultation and input from the Contractor; however, the final decision will remain with the state.

### **6.1.1.1 Federal Statutes and Regulations**

Bidders must be aware of the regulatory environment when submitting proposals in response to this RFP. The state has attempted to set out the areas of system approval standards required by the FNS; however, the bidder should consult the actual regulations. Electronic Benefit Transfer Issuance System Approval Standards (7 CFR 274.12) includes specific requirements on the following:

- System functional requirements
- Household participation
- Retailer participation
- Performance and technical standards processing speeds
  - System availability and reliability
  - System security
  - System ease of use
  - Third-party processors
  - Minimum card requirements
  - Minimum transaction set
  - Interoperability
- Concentrator bank responsibilities
- Reconciliation, management reporting, examination, and audits
- Re-presentation
- Ownership rights and procurement requirements

In addition, bidders should be aware of all FNS Food Stamp Program and EBT guidelines, including the EBT Reconciliation Guidance and EBT Disaster Planning Guide, published by the FNS. The selected Contractor must also comply with all instructions and formats for file transmissions required by the FNS including, but not limited to, Anti-Fraud Locator for EBT Redemption Transaction (ALERT), Account Management Agent (AMA), Retailer EBT Data Exchange (REDE), and Store Tracking and Redemption System (STARS).

Refer to the following website for full text of applicable rules and regulations:

[http://www.fns.usda.gov/fsp/ebt/ebt\\_regulations.htm](http://www.fns.usda.gov/fsp/ebt/ebt_regulations.htm)



To support its EBT program, California has obtained the following waivers from the FNS for the contract period defined in this RFP:

- Retailer Participation (Waiver Reference #980089) – 7 CFR 274.12(g)(4)(ii)(B).
- Charges to Retailer-Reinstallation Fees (Waiver Reference #980092) – 7 CFR 274.12(g)(2).
- Adjustment Hold (Waiver Reference #2010167) – 7 CFR 274.12(f)(4)(ii)(B).
- PIN Selection via Automated Response Unit (ARU) (Waiver Reference #2000040) – 7 CFR 274.12(h)(7)(iii) and 7 CFR 274.12(h)(3)(ii)(C).
- Offline Storage (Waiver Reference #980070) – 7 CFR 274.12(f)(7).
- Expungement (Waiver Reference #980071) – 7 CFR 274.12(f)(7)(ii).

These waivers are in place for the current contract and have been extended through the life of the next contract period. Refer to Appendix G for details on each federal waiver.

#### **6.1.1.2 Quest® Operating Rules**

The state operates under the Quest® Operating Rules. The Contractor is also expected to adhere to the Quest® Operating Rules which set forth the requirements for the distribution of government benefits under the Quest® mark. The most recent version of the rules is available at the following website:

[http://ebt.nacha.org/Quest/Quest\\_Operating\\_Rules/quest\\_operating\\_rules.htm](http://ebt.nacha.org/Quest/Quest_Operating_Rules/quest_operating_rules.htm)

#### **6.1.1.3 ANSI and ISO Standards**

The Contractor will be expected to comply with ANSI X9.58 messaging standards published in 2002. These messaging standards are based on ISO technical standards 8583 and 9510. Bidders should be aware of the applicable ANSI and ISO standards when submitting a proposal under this RFP. These standards provide guidance on the following:

- Message structure, flows, and formats
- Data element definitions
- Auto reconciliation file description

### 6.1.2 Regulatory Requirements

#	Requirement
1	<p>The Contractor shall be in compliance with FNS federal regulations regarding the Food Stamp Program (7CFR) and specifically:</p> <ul style="list-style-type: none"> <li>a. <b>The SAS No. 70 Rule</b> – On Feb. 29, 2000, the <b>final rule</b> requiring that states with EBT systems ensure an examination of their EBT transaction processing is conducted at least annually was published in the <i>Federal Register</i> (vol. 65; no.40; pp. 10675-10678).</li> <li>b. <b>Adjustment Rule</b> – On July 5, 2000, the <b>final rule</b> revising Food Stamp Program regulations pertaining to a state agency's ability to make adjustments to a household's account in an EBT system was published in the <i>Federal Register</i> (vol. 65; no. 129; pp. 41321-41326).</li> <li>c. <b>Interoperability Rule</b> – On June 25, 2003, the <b>final rule</b> implementing legislation requiring interoperability of Food Stamp Program EBT systems and portability of electronically issued benefits nationwide was published in the <i>Federal Register</i> (vol. 68; no. 122; pp. 37693-37697).</li> <li>d. <b>EBT Welfare Reform Rule</b> – On October 4, 2000, the <b>final rule</b> implementing EBT provisions of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was published in the <i>Federal Register</i> (vol. 65; no. 193; pp. 59105-59111).</li> <li>e. <b>Standards for Approval &amp; Operation of Food Stamp Electronic Benefits Transfer Systems</b> – On April 11, 2005, the <b>final and interim rule</b> revising the Food Stamp Program, Regulatory Review: Standards for Approval and Operation of the Food Stamp EBT Systems was published in the <i>Federal Register</i> (vol. 70; no. 68; pp. 18263-18271).</li> <li>f. <b>Food Stamp Reauthorization</b> – On December 5, 2005, the <b>final rule</b> revising Food Stamp Program regulations pertaining to the standards for approval of EBT systems, the participation of retail food stores and wholesale concerns, and state agency liabilities and federal sanctions was published in the <i>Federal Register</i> (vol. 70; no. 232; pp. 72350-72355).</li> </ul>

#	Requirement
2	<p>The Contractor shall be responsible for the following errors:</p> <ul style="list-style-type: none"> <li>a. <u>Disbursement or Authorization of Funds</u> – The Contractor will bear all liability for losses resulting from errors or omissions related to authorization of state or county-administered programs into a recipient account as described in 45 CFR 200, 45 CFR 74, and 7 CFR 276. The state is responsible for losses resulting from the provision of erroneous information by the state or counties to the Contractor.</li> <li>b. <u>Transaction Processing and Settlement</u> – The Contractor will bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the Contractor or its representatives or subcontractors. These liabilities include, but are not limited to: <ul style="list-style-type: none"> <li>i. Any duplicate or erroneous postings of benefits or void actions to a client's account.</li> <li>ii. Any losses from funds drawn down from an account after the cardholder notified the Contractor that the card had been lost or stolen.</li> <li>iii. Any losses from transactions performed with cards issued but not activated by the cardholder or the Contractor.</li> <li>iv. Any losses from transactions completed using invalid FNS authorization numbers.</li> <li>v. Any damages or losses suffered by a federal, state, or county agency due to negligence on the part of the Contractor.</li> </ul> </li> </ul>
3	The Contractor shall follow all applicable state laws, rules, and policies including, without limitation, those relating to EBT and to information security, confidentiality, and privacy.
4	The Contractor shall adhere to the Quest <sup>®</sup> Operating Rules, which set forth the requirements for the distribution of government benefits under the Quest <sup>®</sup> mark.
5	The Contractor shall comply with ANSI X9.58 messaging standards published in 2002.
6	The Contractor shall submit ALERT, AMA, and REDE data to the FNS in accordance with the timeframes and file format as specified in Appendix O.

## 6.2 Project Staffing

### 6.2.1 Background

This section presents requirements for project staffing which reflect the mandatory and minimum staffing needs for the California EBT Project.

Each position has minimum experience requirements. The experience may be concurrent. For example, the Contractor Project Manager may have five (5) years of experience managing public or private sector systems implementation of which two (2) years were served as a Project Manager on an EBT services implementation.

### 6.2.2 General Project Staffing Requirements

#	Requirement
7	The Contractor shall develop a Staff Management Plan in accordance with the DID provided by the state.
8	The following Contractor positions shall be identified as key staff: <ul style="list-style-type: none"> <li>a. Project Manager</li> <li>b. Contract Manager</li> <li>c. Technical Project Manager</li> <li>d. Telecommunications Manager</li> <li>e. Testing Manager</li> <li>f. Retail Manager</li> <li>g. Cash Access Manager</li> <li>h. Training Coordinator</li> <li>i. County Transition Leads</li> <li>j. Workplan Scheduler</li> </ul>
9	The Contractor's work authorization labor rate for an individual staff position may not exceed \$200.00 per hour.

### 6.2.3 Contractor EBT Project Manager

The Project Manager leads the transition and day-to-day management of the California EBT Project including overall performance and contract compliance during the contract. He/she will be the primary point of contact with the state and be responsible for project tasks and deliverables, schedule, issues, risks, quality, and budget. The Project Manager will be responsible for all subcontractor work and products. The Project Manager will also oversee all project resources and ensure appropriate resources are available throughout the life of the contract. He/she will work closely with the state Project Director and state staff, and also present status and progress on project activities through written reports, oral briefings, and participation in meetings.

#	Requirement
10	The Project Manager shall have the authority to bind the Contractor's company contractually.
11	The Project Manager shall be allocated full time to the California EBT Project from contract award through the term of the contract.
12	The Project Manager's office shall be located in Sacramento, California.
13	The Project Manager shall be available to state EBT Project staff Monday through Friday from 8:00 a.m. to 5:00 p.m. Pacific Time.
14	The Project Manager shall have a minimum of five (5) years of experience managing public or private sector information system implementations or M&O projects, with at least two (2) years of those five (5) years managing projects over \$10 million.
15	The Project Manager shall have a minimum of two (2) years of experience as a Project Manager for EBT services implementations, M&O, or transitions for a state, U.S. territory, or district.

#### 6.2.4 Contractor EBT Contract Manager

The Contract Manager is responsible for monitoring and administering the contract with the state. He/she will work directly with the state's Contract Manager to address contractual and fiscal issues.

#	Requirement
16	The Contract Manager shall have a minimum of three (3) years of contract management experience in the public or private sector.

#### 6.2.5 Contractor EBT Technical Project Manager

The Technical Project Manager will be responsible for facilitating the system design process and ensuring appropriate technical resources are available to the state project team to expedite the discussion and resolution of system design, interface development, testing, and ongoing operational issues. He/she will participate in the system requirements definition and design, interface design and development, and lead system development and testing. The Technical Project Manager will be responsible for the development and finalization of all system design reports and deliverables as well as work authorizations.

#	Requirement
17	The Technical Project Manager shall have a minimum of five (5) years of experience in designing, developing, implementing, enhancing, and maintaining public or private sector information systems.

#	Requirement
18	The Technical Project Manager shall have served as the Technical Project Manager or technical lead for a minimum of two (2) years on EBT services implementations, M&O, or transitions for a state, U.S. territory, or district.

### 6.2.6 Contractor EBT Telecommunications Manager

The Telecommunications Manager will oversee the telecommunication design and plan to support the EBT system, including the system interfaces with the state systems, county eligibility systems, administrative and POS terminals, and Customer Service Call Center (Call Center) telecommunication network(s). He/she will plan and manage all network installation activities, oversee all necessary network testing, monitor network performance, and ensure network capacity is sufficient and appropriate to support the California EBT requirements.

#	Requirement
19	The Telecommunications Manager shall have a minimum of five (5) years of experience in developing and implementing telecommunication networks.

### 6.2.7 Contractor EBT Testing Manager

The Testing Manager will be responsible for planning, executing, and reporting all testing activities for the Contractor. He/she will also manage testing activities for any system changes or enhancements. He/she will work with state, county, and consortia testing staff to establish and test connectivity between county eligibility systems, state systems, and the EBT host. The Testing Manager will be responsible for developing test plans, certifying interfaces, and documenting testing results.

#	Requirement
20	The Testing Manager shall have a minimum of two (2) years of experience in leading system testing for public or private sector information systems.
21	The Testing Manager shall have a minimum of one (1) year of experience in testing transaction processing systems.

### 6.2.8 Contractor EBT Retail Manager

The Retail Manager is responsible for overseeing all activities related to retailer conversion during transition and support of retailer operations. For retailer conversion, this includes preparing a Retailer Conversion/POS Deployment Plan, developing a Model Retailer Agreement, creating EBT communications and notices for retailers, and distributing and completing retailer agreements. He/she will also oversee the development and distribution of retailer training materials, installation of retailer equipment, and loading of retailer software. On an ongoing basis, the Retail Manager will lead efforts to enroll retailers, monitor retailers, and coordinate with customer service staff to review retailer issues and identify issue resolution strategies.

#	Requirement
22	The Retail Manager shall have a minimum of two (2) years of experience in conducting retailer activities for EBT services implementations, M&O, or transitions for a state, U.S. territory, or district.
23	The Retail Manager shall have served in a lead capacity on retailer activities for a minimum of one (1) year on an EBT project for a state, U.S. territory, or district.

### 6.2.9 Contractor EBT Cash Access Manager

The Cash Access Manager is responsible for ensuring continued access to cash benefits. He/she will work with financial institutions and third-party processors to promote cash access and surcharge-free cash access throughout California, and examine county-specific cash access needs and recommend strategies to promote cash access. The Cash Access Manager will lead the effort to develop the Change in Cash Access Plan for each participating cash EBT county during transition. On an ongoing basis, he/she will develop annual cash access reports and identify and track cash access issues.

#	Requirement
24	The Cash Access Manager shall have a minimum of two (2) years of experience in conducting cash access activities for EBT services implementations, M&O, or transitions for a state, U.S. territory, or district.
25	The Cash Access Manager shall have served in a lead capacity on cash access activities for a minimum of one (1) year on an EBT project for a state, U.S. territory, or district.

### 6.2.10 Contractor EBT Training Coordinator

The Training Coordinator is responsible for developing system and equipment training for state and county users. He/she will develop the training curricula and training materials, locate and secure training facilities, schedule training, and coordinate with state-level training initiatives. The Training Coordinator may also conduct training.

#	Requirement
26	The Training Coordinator shall have a minimum of two (2) years of experience in leading training on information systems in the public or private sector.

### 6.2.11 Contractor EBT County Transition Leads

The County Transition Leads will be responsible for coordinating implementation activities at the county level including installation of county-based EBT equipment and software, monitoring county-level technical issues such as local interfaces, coordinating county-level settlement activities such as bank setup and draw-down testing, and

assisting counties in resolving business process issues related to EBT. County Transition Leads will also be responsible for reporting county progress and providing status on county activities.

While the state is not specifying a number of transition leads, the state believes that a dedicated lead for Los Angeles County and at least one lead for each major geographic region in the state (e.g., northern, bay area, central, and southern) will best serve the counties and result in a successful transition.

#	Requirement
27	Each County Transition Lead shall have a minimum of one (1) year of experience with EBT services implementations, M&O, or transitions for a state, U.S. territory, or district.

### 6.2.12 Contractor EBT Project Workplan Scheduler

The Project Workplan Scheduler will be responsible for maintaining the Contractor components of the project's integrated transition workplan and any other workplans (including work authorization workplans). He/she will utilize the state's project workplan templates and tools and be responsible for gathering task updates from Contractor and subcontractor staff as well as state and county staff. The Project Workplan Scheduler will also work directly with the state's workplan team.

#	Requirement
28	The Project Workplan Scheduler shall have a minimum of two (2) years of experience using Microsoft Project 2000 or later version.

## 6.3 Project Management

### 6.3.1 Background

This section presents contractual requirements related to project management. The contractual requirements present the mandatory and minimum project management needs for the California EBT Project.

Given the size of California's EBT program, the complexities associated with a county-administered social services program, and multiple eligibility systems, the state has found project management to be a critical component in making the EBT Project a success. The Contractor will be required to develop and maintain an Ongoing Operations Forms Packet that includes operational forms and processes for state and county users. Also, the state intends to conduct regularly scheduled meetings and conference calls with its Contractor and will require regular updates to activities related to ongoing operations.



The Contractor will provide a detailed project workplan addressing all transition activities including EBT system functionality development, interface development, retailer conversion, data conversion and cutover, cash access, county-level readiness, and other activities. The state will specify the format and product used to develop the Contractor's project workplan.

The project workplan will be included in a larger workplan framework that includes activities being conducted by other entities. Because there are multiple vendors, counties, and eligibility system consortia, the state will manage the master transition workplan. The state's Schedule Management Plan (available in the bidders library) specifies the tools to be used as well as reporting requirements.

### 6.3.2 Project Management Requirements

#	Requirement
29	The Contractor shall develop a Project Management Plan in accordance with the DID provided by the state.
30	The Contractor shall develop a Quality Assurance Plan in accordance with the DID provided by the state.
31	The Contractor shall develop a Risk Management Plan in accordance with the DID provided by the state.
32	The Contractor's Project Manager shall attend weekly status meetings at the state's EBT Project Office in Sacramento, California.
33	As required by the state, additional Contractor staff shall attend weekly status meetings at the state's EBT Project Office in Sacramento, California.
34	The Contractor shall prepare Weekly Status Reports.
35	The Weekly Status Reports shall include information on activities conducted, activity status, issues, and risks.
36	The Contractor shall develop a format for its Weekly Status Report that shall be submitted for state acceptance.
37	The Weekly Status Report is due by 12:00 p.m. Pacific Time on each Tuesday of the week.
38	The Contractor shall prepare a Monthly Progress Report.
39	The Monthly Progress Report shall include a recap of activities conducted, activity status, issues, and risks for the current month.
40	The Monthly Progress Report is due on the fifth of the month following the reporting month.

#	Requirement
41	The Contractor shall develop a format for its Monthly Progress Report and submit to the state for acceptance five (5) business days before the submission of the first Monthly Progress Report.
42	As requested by the state, the Contractor shall participate in internal and external stakeholder group sessions.
43	The Contractor shall provide project management documentation upon state or federal agency request.
44	The Contractor shall prepare an Ongoing Operations Forms Packet in accordance with the DID provided by the state.
45	The Contractor shall use project management, word processing, presentation, spreadsheet, and database management products that are compatible with Microsoft Office 2003 and Microsoft Project 2003 or later versions.
46	The Contractor shall prepare a transition workplan using the <del>state-provided project workplan template and instructions, as presented</del> <a href="#">instructions provided</a> in the Schedule Management Plan (available in the bidders library).
47	The Contractor's transition workplan shall be due within 30 business days after contract award.
48	The Contractor shall report progress on transition workplan tasks on a weekly basis.
49	The Contractor shall follow the state's process for reporting transition workplan progress as defined in the Schedule Management Plan (available in the bidders library).

## 6.4 Account Structure

### 6.4.1 Background

California uses EBT for food stamp and cash benefit programs. Food stamp programs include the federal Food Stamp Program and the California Food Stamp Assistance Program (CFAP). Cash aid programs include California Work Opportunity and Responsibility to Kids (CalWORKs)—the state's version of federal Temporary Assistance to Needy Families (TANF), Refugee Cash Assistance, Cash Assistance Program for Immigrants—the state's version of Supplemental Security Income/State Supplementary Payments, and General Assistance/General Relief. All 58 counties use EBT to issue food stamp benefits and 54 counties use EBT to issue cash aid. Appendix H provides a list of EBT benefit types currently used in California. For each benefit type, the state will specify account type, applicable counties, and draw-down order.

California uses a State Unique Identifier (SUID), also referred to as a case identifier, to uniquely identify an EBT case. The SUID is normally generated by the county eligibility system using an algorithm to map a county case number to the SUID. The SUID is assigned when the case is created on the EBT system through the eligibility system interface or by direct entry through the administrative interface. Once a case is created the SUID will never be changed.

Each EBT case is created with a primary cardholder. The EBT system must create both food stamp and cash EBT accounts upon the receipt of primary cardholder demographic data for a new EBT case. Each account is empty until benefits are posted.

An EBT case may also have one or more alternate cardholders. Access to accounts are set by the county social services agency for individual cardholders to food stamp and cash, food stamp only, cash only, or no access.

Cardholders are issued EBT cards that are uniquely identified by a card number, also referred to as a primary account number (PAN). A cardholder may be issued a card number without being issued a physical card. Cardholders may be issued replacement EBT cards but a cardholder will never have more than one (1) active EBT card.

Benefit grants are issued through the eligibility system interface or by direct entry through the administrative interface with a unique benefit authorization number that is normally assigned by the eligibility system. Under certain conditions, benefit grants may also be created by the EBT system.

Each benefit grant has an SUID, benefit type, benefit month, and an availability date. Benefit grants that have reached their availability date are deposited into an EBT account based on the SUID and the benefit type. Following an account transaction, the EBT system decreases or increases benefit grants based on the benefit month and the draw-down order of the benefit type. The Contractor must ensure the EBT system reconciles EBT account balances to grant balances.

Benefit grants that have not been deposited into an EBT account are referred to as pending benefits. Pending benefits include benefit grants that are issued with a future availability date and benefit grants issued with an SUID that has not been added to the EBT system. Benefit grants with no matching SUID are also referred to as unlinked benefits.

Each EBT account has an aging status of active, inactive, dormant, or expungeable based on the date of the last cardholder ~~transaction~~ debit activity. Definitions for each are:

- Active – The account has had cardholder debit transactions within the previous 45 days or no benefit grant deposits since the account was created.
- Inactive – The account has had no cardholder debit transactions within the previous 45 to 89 days.

- **Dormant** – The account has had no cardholder debit transactions within the previous 90 to 269 days.
- **Expungeable** – The account has had no cardholder debit transactions within the previous 270 days.

An account in dormant or expungeable status is locked so that cardholder transactions are prohibited. Accounts locked due to aging status may be reactivated by the county social services agency. Benefit grant deposits and administrative transactions may be performed on accounts regardless of account status.

When an account reaches expungeable status, the benefit grants associated with the account are subject to expungement on the 270th day after each of the benefit grants was deposited. Expungeable benefits are tracked and reported by the eligibility systems.

A client may be a cardholder on multiple EBT cases due to a change in the household or if the client moves from one county to another. The client must have access to benefits on all accounts that he/she has been granted access to on all cases, so long as the benefits are still available on the EBT system.

The state may choose to add additional benefit types and benefit programs to its EBT program. Since the implementation of EBT, the state has added an average of one to two benefit types per year. In terms of benefit programs, county eligibility systems support a number of benefit programs that are not currently in the EBT system. The state may decide to add these benefit programs to the EBT system in the future. Other state systems (referred to as issuer systems) that administer other benefit programs and types may be added to the state's EBT program. Therefore, bidders should design an EBT account structure with the flexibility to accommodate a range of federal, state, and county benefit programs and benefit types.

#### **6.4.2 Account Structure Requirements**

#	Requirement
50	Upon receipt or entry of demographic data for a primary cardholder, identified by a primary/alternate "01" indicator, with an SUID, the system shall create a new EBT case with active food stamp and cash accounts.
51	The system shall use the SUID assigned by the county to identify the EBT case.
52	The system shall allow up to 98 alternate cardholders, identified by primary/alternate indicators "02" through "99" on an EBT case.
53	The system shall not allow an alternate cardholder to be added unless there is a primary cardholder with the same SUID already in the system.

#	Requirement
54	Each cardholder shall have a card number that is linked to the food stamp and cash accounts that are associated with the cardholder's EBT case.
55	Benefit grants shall be deposited to the appropriate account based on the SUID, benefit type, and availability date.
56	Each benefit grant in the system shall be uniquely identified by a benefit authorization number.
57	The system shall allow benefit authorization numbers for benefit grants that have been deleted from the system to be reused.
58	The system shall have the ability to limit the issuance of benefit types by county.
59	The system shall deposit benefit grants received through direct entry or from eligibility systems that have reached their availability date and have an existing SUID.
60	The system shall track benefit grants received from eligibility systems that have not reached their availability date or do not have an <a href="#">EBT case with a matching existing</a> SUID.
61	The system shall deposit future-dated benefit grants between 12:01 a.m. and 5:00 a.m. Pacific Time on the benefit availability date.
62	The system shall deposit a benefit grant that was created without an existing SUID within four (4) hours after creating an EBT case for the SUID.
63	Once created, EBT case, cardholder, and account data shall remain on the system through the end of the contract.
64	The system shall purge a benefit grant that does not have an existing SUID 90 days after the availability date.
65	The system shall maintain separate food stamp and cash account balances.
66	The system shall maintain an available balance for each account equal to the sum of remaining balances of each benefit grant that has been deposited into the account minus the sum of all manual voucher hold amounts.
67	The system shall maintain a record of all cardholder transactions received by the EBT host and all other transactions that affect account balance.

#	Requirement
68	The system shall maintain a last account status date for each account corresponding to the most recent date of the following: <ul style="list-style-type: none"> <li>a. The first transaction that affected the account balance.</li> <li>b. The last completed debit transaction by a cardholder.</li> <li>c. The last account reactivation.</li> </ul>
69	If the last status date is within 0 to 44 days prior to the current date, or if there is no last status date, the account shall have a status of “active.”
70	If the last status date is within 45 to 89 days prior to the current date, the account shall have a status of “inactive.”
71	If the last status date is within 90 to 269 days prior to the current date, the account shall have a status of “dormant.”
72	If the last status date is 270 days or more prior to the current date, the account shall have a status of “expungeable.”
73	If the account status is “dormant” or “expungeable,” the cardholder shall be prevented from accessing the account.
74	The system shall expunge a benefit grant if the date that the grant was deposited into the account is over 270 days prior to the current date and the account status is “expungeable.”
75	The system shall have the ability to add new benefit types.
76	The system shall have the ability to add other issuer systems.

## 6.5 Transaction Processing

### 6.5.1 Background

Many retailers process EBT transactions through a third-party processor (TPP) or use their own systems (in the case of large grocery stores). Other FNS-authorized retailers that participate in EBT but do not use a TPP or their own system for EBT transaction processing are eligible to use the state’s EBT-only POS devices. In all instances, the state seeks to use the existing commercial transaction processing infrastructure to the maximum extent possible.

The Contractor must be able to receive and process transactions from POS devices and ATMs. Transactions may be routed through a commercial network or switch, a direct connection, or through a proprietary transaction route where the Contractor acts as the acquirer. Transactions must be processed in accordance with the Quest® Operating Rules and the Contractor must ensure cardholders have access to their food stamp

accounts only at POS devices at FNS-authorized retailer locations. Cash accounts may be accessed through participating POS devices or ATMs.

The system must support cardholder food stamp debit and credit transactions, food stamp manual voucher debits and credits (also known as manual sales and credit drafts), cash debit transactions, and food stamp and cash reversals. When a debit transaction is completed, the system debits the cardholder's account and draws down (reduces the balance) one or more benefit grants that are attached to the account. When a credit transaction is completed, the system credits the cardholder's account and increases the balance to one or more benefit grants that are attached to the account. The order in which benefit grants are drawn down or increased is determined by the benefit month and the benefit type of each benefit grant. If the system cannot apply a completed credit transaction to available benefit grants without increasing the grants beyond their original value, or if no benefit grants are available, the system must either deny the transaction or create an unapplied benefit grant. If created, unapplied benefit grants must follow the same rules as county-issued benefit grants except that they will be drawn down first regardless of the benefit month or benefit type of other grants attached to the account.

### 6.5.2 Transaction Processing Requirements

#	Requirement
77	On a <del>monthly</del> <del>weekly</del> basis, the EBT transaction processing platform shall be available to process all EBT-related transactions 99.9 percent of the time, excluding scheduled outages.
78	The system shall process EBT transactions as specified in the Quest <sup>®</sup> Operating Rules except as specified by requirements in this RFP.

#	Requirement
79	<p>All of the following shall be met before the system authorizes a transaction:</p> <ul style="list-style-type: none"> <li>a. The transaction is initiated through a valid terminal, TPP, or network.</li> <li>b. The retailer has a valid FNS authorization number (for food stamp transactions only).</li> <li>c. The card authentication value is verified.</li> <li>d. The card status is "active."</li> <li>e. The cardholder has access to the appropriate food stamp or cash account.</li> <li>f. The cardholder's account has not been disabled due to the aging status or excessive, incorrect PIN attempts (more than four [4] consecutive attempts in the same day).</li> <li>g. The cardholder's PIN is verified.</li> <li>h. There are sufficient funds in the account to cover the amount of purchase or cash withdrawal and any fees and surcharges that are the client's responsibility.</li> </ul>
80	The system shall process balance inquiries initiated at a POS device or ATM.
81	The system shall not permit re-presentation of denied transactions as defined by federal regulation 7 CFR 274.12(l).
82	The system's FNS-approved provider data shall be updated from FNS REDE files daily.
83	The system shall validate that food stamp transactions have originated from an FNS-authorized retailer using a REDE file from FNS.
84	The system shall not impose fees for any food stamp transactions.
85	The system shall credit a food stamp merchandise refund only to the cardholder's food stamp account.
86	The system shall have the ability to set a maximum limit on the amount of a food stamp merchandise refund.
87	The system shall process store-and-forward transactions only for food stamp transactions.
88	The system shall deny a food stamp transaction conducted outside the U.S., and its territories and district.
89	The system shall support the use of manual vouchers (also known as manual sales and credit drafts).



#	Requirement
90	The system shall place a hold on funds in the cardholder's account for up to 15 days when a manual food stamp debit is authorized through the retailer ARU.
91	The system shall debit the cardholder's account and settle the transaction when a manual food stamp debit is cleared electronically or a manual voucher is presented for settlement within 15 days.
92	The system shall release the hold on funds if a manual food stamp debit is not cleared electronically and a manual voucher is not presented for settlement within 15 days.
93	The system shall credit the cardholder's account and settle the transaction when a manual food stamp credit is cleared electronically or a manual voucher is presented for settlement within 90 days.
94	The system shall cancel a manual food stamp credit that is not cleared within 90 days either electronically or through presentation of a manual voucher.
95	The system shall validate the transaction acquirer as a proper source for cash transactions.
96	The system shall verify the transaction originates from an authorized POS device or ATM.
97	The system shall not apply a transaction fee to a cardholder's account for a POS cash transaction.
98	The system shall not impose a limit on the amount of cash back on a purchase or cash-back POS transaction.
99	The system shall not impose a limit on the amount of a cash withdrawal on a POS cash withdrawal transaction.
100	The system shall not apply a transaction fee to the cardholder's account for the first four (4) cash withdrawals made using either a POS device or an ATM in a calendar month.
101	The system shall apply a fee of no more than \$0.80 for each ATM withdrawal transaction after the fourth cash withdrawal transaction in a calendar month.
102	The system shall apply a fee of no more than \$0.25 for any balance inquiry transaction conducted at an ATM.
103	The system shall not apply a transaction fee for denied transactions conducted at ATMs.

#	Requirement
104	The system shall credit back to the cardholder's account all fees on transactions that result in a full reversal.
105	The system shall reject any transaction that would cause a cardholder's account to be overdrawn.
106	When a cardholder's account is debited, the system shall reduce the balance of one (1) or more benefit grants associated with the account such that no benefit grant has a balance less than zero.
107	Reductions in grant balances for account debits shall be made in the order based on the oldest benefit grant (based on the benefit month) with the highest draw-down priority (based on the benefit type).
108	When an account is credited, the system shall increase the balance of one (1) or more benefit grants associated with the account such that no benefit grant has a balance greater than the original value of the grant.
109	The system shall make increases in grant balances for account credits in the order based on the most recent benefit grant (based on the benefit month), with the lowest draw-down priority (based on the benefit type).
110	If the system is unable to apply an account credit to benefit grants associated with the account, or there are no benefit grants associated with the account, the system shall deny the transaction or create an unapplied benefit grant.
111	If an unapplied benefit grant is created, the system shall reduce the balance of all unapplied benefit grants associated with an account to zero balance before reducing the balance of any other benefit grants.

## 6.6 Third-Party Processors

### 6.6.1 Background

It is the state's intent to continue to use the existing commercial financial transaction processing infrastructure to the maximum extent possible. Retailers who own or lease POS terminals or who purchase transaction processing services from a TPP have the opportunity to use that equipment or service to process EBT transactions.

### 6.6.2 Third-Party Processing Requirements

#	Requirement
112	The Contractor shall allow retailers who own, rent, or lease POS devices and/or services to be able to use that equipment or service to send EBT transactions to the EBT system.
113	The Contractor shall develop a Network Certification Plan in accordance with the DID provided by the state.
114	The Contractor shall perform certification of all EBT transaction acquirers intending to participate in California EBT in accordance with the Contractor's TPP and ATM Network Certification Plan, regardless of its participation as an acquirer in other EBT systems.
115	The Contractor shall be responsible for ensuring TPPs and acquirers operate within Quest <sup>®</sup> Operating Rules and FNS regulations.
116	The Contractor shall re-test and certify a TPP in the event of any significant software changes made by the Contractor or the TPP.
117	The Contractor shall re-test and certify the TPP if the TPP fails to meet performance standards.
118	The Contractor shall complete certification of an acquirer or TPP within 30 days of written notification from a TPP that is ready to be certified.
119	The Contractor shall inform the state in the event that it is unable to establish or maintain a working relationship with a TPP.
120	The Contractor shall provide the state with written confirmation of certification for each TPP that meets the third-party interface specifications and certification standards within ten (10) days following the completion of certification.
121	The system shall not authorize or accept any California EBT transaction from any TPP that has not been certified.
122	The Contractor shall ensure new retailers are able to conduct food stamp transactions within two (2) weeks of receiving authorization from the FNS if the Contractor acts as acquirer, or within 30 days (or a mutually agreed upon timeframe) for retailers processing transactions through a TPP.

## 6.7 Administrative Application

### 6.7.1 Background

The administrative application refers to EBT system functionality available to authorized users to perform EBT functions and to monitor and review EBT data. While most EBT

inquiries, actions, and transactions are performed using eligibility system batch and host-to-host interfaces, the administrative application provides a critical backup capability that can be used in the event the eligibility system is unavailable. The inquiry functions of the administrative application are also used by county, state, and federal users that do not have access to an eligibility system. Inquiry functions are also used to view data not available through the eligibility system interface.

In the current environment, the administrative application has its own security subsystem that requires the user to log onto the system using a unique logon and password. Access to system functionality is based upon user profiles, with each profile defined uniquely for different classes of users. To receive system access, users must complete paper forms that are routed to the current EBT Contractor and receive user identifiers in an e-mail format. The state seeks to automate user access management and seeks an online solution for user access management.

The administrative application will need to be accessible using a standard web browser through the state and county EBT administrative network. For reporting and audit purposes, the system will need to associate each authorized user with a county and group. Each county, or equivalent administrative group, will have one (1) or more security administrators that will have the ability to add and delete users within its own county and set user permissions. User permissions will limit a user to specific types of actions, transactions, and inquiries. The system must only allow a user to perform actions and transactions to EBT cases within his/her own county. By default, users must have the ability to view data from other counties. At the state's request, the system must also be able to limit the viewing of data from one (1) or more counties, or other issuer systems, to users within that county or issuer system.

At a minimum, the administrative application will allow authorized users to perform the following types of actions, transactions, and inquiries:

- Set up new EBT cases and cardholders.
- Modify selected cardholder attributes.
- Print EBT cards as an initial issuance for a new cardholder or as a replacement card for an existing cardholder.
- Issue disaster cards as an initial issuance for a new cardholder or as a replacement card for an existing cardholder.
- Change the status of a card, including card statuses that result in a mailed replacement card.
- Reset account status.
- Add benefits.
- Void pending benefits.
- Perform account and benefit type repayments.
- View correction requests and enter fair hearing requests and results.
- View cardholder, account, benefit grant, transaction, and card activity data.

- View batch processing status information.
- Search for EBT cases, transactions, and correction requests.

The state intends to hold joint application design sessions to review available functionality and customize it to meet California's requirements as needed. A Requirements Specifications document will be used to ensure all parties agree to any changes to the administrative application before moving forward.

### 6.7.2 Administrative Application Requirements

#	Requirement
123	On a monthly basis, the system shall process and respond to 98 percent of administrative application transactions within two (2) seconds and 100 percent of administrative application transactions within five (5) seconds.
124	The Contractor shall provide and maintain a browser-based administrative application.
125	Online help shall identify the time zone for all time-related data presented in the administrative application.
126	The administrative application shall allow a user to add new cardholders with the following data: <ol style="list-style-type: none"> <li>SUID</li> <li>Primary/alternate indicator</li> <li>First name</li> <li>Last name</li> <li>Middle initial</li> <li>Social Security Number</li> <li>Date of birth</li> <li>Two (2) address lines</li> <li>City</li> <li>State</li> <li>Zip code</li> <li>Account access</li> <li>Restaurant Meals Program indicator</li> </ol>
127	The administrative application shall allow a user to modify the following cardholder data: <ol style="list-style-type: none"> <li>Account access</li> <li>Restaurant Meals Program indicator</li> </ol>
128	The administrative application shall allow a user to reset a cardholder's excessive, incorrect PIN attempt count to zero.

#	Requirement
129	The administrative application shall allow a user to issue a new card number to an existing cardholder.
130	The administrative application shall allow a user to print an EBT card at a printer designated by the user even if the printer is not in the user's office or county.
131	The administrative application shall not allow an EBT card to be printed unless it is the cardholder's most recent card and the card has never previously been successfully printed.
132	The administrative application shall allow users to issue a disaster card as the initial card for a new cardholder or as a replacement card for an existing cardholder.
133	The administrative application shall limit issuance of disaster cards only to users within the disaster security group.
134	The administrative application shall have the ability to disable issuance of disaster cards.
135	The administrative application shall have the ability to issue disaster cards shall be enabled or disabled upon official notification from the state.
136	The administrative application shall allow a user to change the status of a card.
137	The administrative application shall only allow entry of card status codes that have been approved by the state.
138	The administrative application shall issue a mailed replacement card when a card status code for automatic reissuance is assigned to a card.
139	The administrative application shall not allow users to change the status of a card that is not the cardholder's most recent card.
140	The administrative application shall allow a user to reactivate an account.
141	The administrative application shall allow a user to add a benefit grant to an existing EBT case with a current availability date and the following data: <ul style="list-style-type: none"> <li>a. SUID</li> <li>b. Benefit authorization number</li> <li>c. Benefit amount</li> <li>d. Benefit type</li> <li>e. Benefit month</li> </ul>
142	The administrative application shall limit the benefit amount of a new benefit grant to less than a maximum amount specified by the state for each benefit type.

#	Requirement
143	The administrative application shall only allow users in the disaster security group to add benefit grants with disaster benefit types specified by the state.
144	The administrative application shall allow a user to delete benefit grants that have not been deposited into a food stamp or cash account.
145	The administrative application shall allow a user to reduce an account balance such that the system reduces the remaining amount of one (1) or more benefit grants using the same draw-down rules as a cardholder debit transaction.
146	The administrative application shall allow a user to reduce an account balance such that the system reduces the remaining amount of one (1) or more benefit grants using the same draw-down rules as a cardholder debit transaction, except that benefit draw-down is limited to benefit grants with a benefit type specified by the user.
147	The administrative application shall allow users to view data on correction requests.
148	The administrative application shall allow users to enter fair hearing requests and enter fair hearing results.
149	With the exception of users in the disaster security group, the administrative application shall only allow users to perform actions and transactions to EBT cases that were initially set up by users within the same county or issuer system.

#	Requirement
150	<p>The administrative application shall allow users to view the following cardholder data:</p> <ul style="list-style-type: none"><li>a. SUID</li><li>b. Primary/alternate indicator</li><li>c. First name</li><li>d. Last name</li><li>e. Middle initial</li><li>f. Social Security Number</li><li>g. Date of birth</li><li>h. Two (2) address lines</li><li>i. City</li><li>j. State</li><li>k. Zip code</li><li>l. Account access</li><li>m. Restaurant Meals Program indicator</li><li>n. Current and past card numbers</li><li>o. Excessive, incorrect PIN attempt count</li><li>p. Language indicator</li><li>q. Accounts</li></ul>
151	<p>The administrative application shall allow users to view the following account data:</p> <ul style="list-style-type: none"><li>a. Available balance</li><li>b. Account aging status</li><li>c. Last status date</li><li>d. Date of last benefit grant deposit</li><li>e. Date of last cardholder debit</li><li>f. Associated benefit grants</li><li>g. Transaction history</li></ul>
152	<p>The administrative application shall allow users to view the following benefit grant data:</p> <ul style="list-style-type: none"><li>a. Original benefit grant amount</li><li>b. Remaining benefit grant amount</li><li>c. Benefit authorization number</li><li>d. Benefit type</li><li>e. Benefit month</li><li>f. Benefit draw-down history</li></ul>



#	Requirement
153	Benefit grants shall remain in the system and be available for viewing for 360 days after reaching a balance of zero.
154	The administrative application shall allow users to view transaction history by retailer and date.
155	The administrative application shall allow users to view transaction history for a specific POS/ATM terminal identifier by date.
156	<p>The administrative application shall allow users to view the following transaction data for transactions received through the EBT switch:</p> <ul style="list-style-type: none"> <li>a. Card number</li> <li>b. Account type</li> <li>c. Local time and date from the POS device or ATM</li> <li>d. EBT host system time and date</li> <li>e. Transaction type</li> <li>f. Requested amount</li> <li>g. Completed amount</li> <li>h. Fee amount</li> <li>i. Surcharge amount</li> <li>j. Settlement amount</li> <li>k. Approval code</li> <li>l. Error code</li> <li>m. Remaining balance after completion of the transaction</li> <li>n. Transaction identification numbers received by the EBT host system</li> <li>o. Transaction identification numbers generated by the EBT host system</li> <li>p. ISO transaction code</li> <li>q. Network identifier</li> <li>r. POS or ATM terminal identifier</li> <li>s. Matched reversal indicator</li> </ul>

#	Requirement
157	<p>The administrative application shall allow users to view the following transaction data for transactions not received through the EBT switch:</p> <ul style="list-style-type: none"> <li>a. Card number</li> <li>b. Account type</li> <li>c. EBT host system time and date</li> <li>d. Transaction type</li> <li>e. Transaction amount</li> <li>f. Remaining balance after completion of the transaction</li> <li>g. Transaction identification numbers generated by the EBT host system</li> <li>h. Group and user identifier or batch type and batch number</li> <li>i. Identification of the application that created the transaction</li> </ul>
158	<p>Transaction history shall be available to users at least 180 days following the month the transaction occurred.</p>
159	<p>The administrative application shall allow users to view the following card and PIN history actions:</p> <ul style="list-style-type: none"> <li>a. Creation of a cardholder's initial card</li> <li>b. Creation of a replacement card</li> <li>c. Physical creation of an EBT card</li> <li>d. Any change in a card's status</li> <li>e. Generation of a new PIN for mailing</li> <li>f. Selection of a new PIN</li> <li>g. Reset of incorrect PIN attempts</li> </ul>
160	<p>The administrative application shall allow users to view the following data for each card history action:</p> <ul style="list-style-type: none"> <li>a. EBT host system time and date of the action</li> <li>b. SUID</li> <li>c. Card number</li> <li>d. Primary/alternate indicator</li> <li>e. Card status following completion of the action</li> <li>f. Identification of the application that initiated the action</li> <li>g. Group and user identifier or batch type and batch number</li> </ul>
161	<p>Complete card history action data shall be available for viewing by users for all cardholders' current cards and for all cards that have had an action within the previous 360 days.</p>

#	Requirement
162	<p>The administrative application shall allow users to view the following correction request data:</p> <ul style="list-style-type: none"><li>a. Correction request identification number</li><li>b. SUID</li><li>c. Card number</li><li>d. Account type</li><li>e. Cardholder first and last name</li><li>f. Correction request amount</li><li>g. Date of the correction request</li><li>h. Correction request status</li><li>i. Fair hearing status</li></ul>
163	<p>The administrative application shall allow users to view the following batch processing status data:</p> <ul style="list-style-type: none"><li>a. Batch type</li><li>b. Batch control number</li><li>c. Time and date the batch was received or batch processing was started</li><li>d. Time and date the batch return file was sent or batch processing was completed</li><li>e. Header and trailer error codes</li><li>f. Number of batch records accepted and rejected</li><li>g. Benefit grants amount deposited, rejected, and placed into pending status (benefit batches only)</li></ul>
164	<p>The administrative application shall allow users to search for a cardholder by name, card number, Social Security Number, or SUID.</p>
165	<p>The Contractor shall conduct joint application design sessions with state and county users in Sacramento, California, when designing administrative application functionality unique to California.</p>
166	<p>The Contractor shall develop a Requirements Specification Document that captures the results of the joint application design sessions in accordance with the DID provided by the state.</p>

## 6.8 Correction Requests and Adjustments

### 6.8.1 Background

FNS regulations and Quest® Operating Rules allow adjustments to be made to accounts to correct auditable out-of-balance settlement conditions that occur during the redemption process as a result of a system error. Before making an adjustment to a cardholder's account, the Contractor must first create and evaluate a correction request. The requirements for evaluating food stamp and cash correction requests are specified in the Quest® Operating Rules. The system must be able to record and track correction requests and perform account adjustments for approved correction requests.

Account debit correction requests may be initiated by the retailer, ATM owner, acquirer, or by the Contractor. California has received a waiver from FNS that allows “no-hold” processing of account debit correction requests. When an account debit correction request is received, the eligibility system is notified through the correction request activity file and a notice is sent to the client. If the client requests a fair hearing, a county user enters a fair hearing request using the administrative application. If the fair hearing request is entered within the first 17 days after the correction request is created, the system must suspend the correction request and prevent a debit from taking place. If no fair hearing has been requested at the end of the 17-day waiting period, or if a fair hearing against the client is entered for a suspended correction request, the system will proceed with a debit adjustment. If there are insufficient funds to complete the debit adjustment, the system must continue attempting to complete the adjustment transaction through the end of the following month.

Account credit correction requests may be initiated by the retailer, ATM owner, acquirer, or by the Contractor. Account credit correction requests may also be initiated by the client. It is important that client-initiated correction requests be evaluated and rejected if not caused by a system error. Fraud, misuse of an EBT card, and human error are not valid reasons for an account adjustment. Food stamp credit correction requests must be resolved within the timeframes specified in the Quest® Operating Rules. When a credit correction request is approved, the system will proceed with a credit adjustment. When a credit correction request is denied, the eligibility system is notified through the correction request activity file and a notice is sent to the client. The client may then request a fair hearing that may ultimately result in a credit adjustment.

Upon request, the Contractor will provide correction documentation to support a fair hearing. The Contractor will also have processes in place that allows disputed debit and denied credit correction requests to be escalated through customer service.

**6.8.2 Correction Requests and Adjustment Requirements**

#	Requirement
167	The system shall make adjustments to an account to correct an auditable, out-of-balance settlement condition that occurs during the redemption process as a result of an error, only after evaluation and approval of a correction request.
168	The Contractor shall process acquirer-initiated correction requests in accordance with FNS regulations and the Quest <sup>®</sup> Operating Rules.
169	The Contractor shall process client-initiated correction requests in accordance with FNS regulations and the Quest <sup>®</sup> Operating Rules.
170	The Contractor's error resolution and correction request processes shall be in accordance with FNS regulations and the Quest <sup>®</sup> Operating Rules.
171	The Contractor shall create a correction request as a result of an out-of-balance condition identified during settlement.
172	The Contractor shall develop an Error Corrections and Adjustments Manual in accordance with the DID provided by the state.
173	<p>At a minimum, the following information about the client or acquirer shall be recorded by the system:</p> <ul style="list-style-type: none"> <li>a. Client or acquirer name</li> <li>b. Nature of the complaint or discrepancy</li> <li>c. Location of retailer or financial institution</li> <li>d. Transaction date</li> <li>e. Date and time of call</li> <li>f. Action taken</li> <li>g. Resolution</li> <li>h. Date of resolution</li> </ul>
174	The system shall assign a unique identification number to each correction request.
175	The Contractor shall provide the unique identification number assigned to the client when a client-initiated correction request is created.
176	Within three (3) business days of the state or county's request, the Contractor shall provide documentation of a correction request to the state or county.
177	The Contractor shall use EBT system data and gateway switch data to investigate a correction request.
178	Upon completion of the credit adjustment, the system shall close the correction request.

#	Requirement
179	The system shall implement a waiting period of 17 days from the date the correction request was opened to execute a debit adjustment.
180	The system shall not place a hold on the client's account for the amount of the debit adjustment.
181	If a client requests a fair hearing to contest the debit adjustment within the 17 calendar day waiting period, the system shall suspend or close the correction request until the outcome of the fair hearing is determined.
182	If the outcome of the fair hearing results in a debit adjustment, the system shall re-open the correction request and execute the debit adjustment.
183	If the outcome of the fair hearing results in a credit adjustment, the system shall re-open the correction request and execute the credit adjustment.
184	If the outcome of the fair hearing results in no adjustment to be executed, the system shall close the correction request.
185	After the 17 day waiting period and the client has not requested a fair hearing, the system shall debit the client's account in the amount of the debit adjustment.
186	The system shall only execute a debit adjustment if the full amount of the debit adjustment is available in the client's account.
187	If funds are not available at the time of the debit adjustment, the system shall only have until the end of the next month to debit the client's account for the amount of the debit adjustment.
188	If a client initiates a correction request against a debit adjustment, the system shall match the correction request to the original transaction for which the debit adjustment was executed.
189	The system shall not allow a client to initiate a correction request against a debit adjustment more than 90 days after the debit adjustment has occurred.
190	The system shall close all denied correction requests.
191	The system shall provide the ability for a user to post an adjustment to a client's food stamp and/or cash EBT account in the event of a transaction error.
192	If a retailer disputes a credit adjustment to a client's account, the Contractor shall initiate a correction request within six (6) days of the credit adjustment.
193	The Contractor shall obtain the state's approval prior to initiating a debit adjustment for a disputed credit adjustment to a client's account.

## **6.9 Automated Response Unit (ARU)/Call Center**

### **6.9.1 Background**

California's current EBT Contractor provides and staffs a toll-free ARU/Call Center to answer cardholders' questions and resolve problems. The ARU/Call Center is available 24 hours per day, seven (7) days per week, and service is available in 11 languages. The ARU/Call Center also provides approval to retailers for offline manual transactions. A retailer helpline is available from 8:00 a.m. to 5:00 p.m. Pacific Time, seven (7) days per week, and service is available in English and Spanish.

The ARU is an automated system that allows a cardholder to conduct a balance inquiry, review transaction and account history, review the number of remaining free (to the client) cash withdrawal transactions, and, with proper security verification, change a cardholder's PIN. The retailer ARU allows retailers to obtain approval for a manual debit or credit transaction and provides an approval number to the retailers. Both the client and retailer ARUs allow for transfer to the Call Center.

The Call Center allows cardholders to speak with a Customer Service Representative (CSR). At a minimum, the Call Center provides English and Spanish speaking CSRs. The current EBT Contractor provides CSRs or translation services to support Call Center functions in nine (9) other required languages. Services provided by the Call Center to cardholders include, but are not limited to, ordering a written account history, reporting a card lost/stolen/damaged, reporting unauthorized card use or retailer fraud, and opening a correction request for a disputed transaction. As an option exercised by most counties, cardholders can order a replacement card or new PIN to be delivered through the mail, after security and address verification. The Call Center also provides approval for a manual debit or credit transaction and provides an approval number when retailers are otherwise unable to receive this service through the ARU.

County staffs also use the Call Center to get information on disputed transactions and to receive system and equipment assistance. In addition, the state requires the current EBT Contractor to support a retailer helpline to assist with transaction processing questions, settlement questions, and equipment malfunction issues that may arise.

Due to the investment in creating California's client ARU in 11 languages, the state plans to replicate the existing ARU/Call Center functions, structure, scripts, and prompts in the next contract. The state will provide scripts, prompts, and navigation that the Contractor is expected to follow and implement.

The languages that must be supported by the ARU/Call Center may change in the future based on client demographics. Addition of new languages or any other changes to the client ARU will be made through the state's work authorization process.

### 6.9.2 ARU/Call Center Requirements

#	Requirement
194	The Contractor shall provide and maintain a client ARU that is available 24 hours per day, seven (7) days per week.
195	The Contractor shall provide and maintain a Call Center that is available 24 hours per day, seven (7) days per week.
196	On a <del>monthly</del> <del>weekly</del> basis, the Contractor's ARU shall be available and operational 99.9 percent of the time, excluding scheduled outages.
197	The Contractor's ARU shall answer at least 99 percent of all calls within 24 seconds, on a monthly basis.
198	No more than two (2) calls per every 10,000 telephone calls made to the Contractor's ARU may be responded to with a busy signal.
199	On a <del>monthly</del> <del>weekly</del> basis, the Contractor's Call Center shall limit the wait time to speak to a live CSR to no more than 30 seconds for 99 percent of all calls, and no more than two (2) minutes for all calls.
200	The Contractor shall use the state's existing toll-free client and retailer telephone numbers for the ARU/Call Center.
201	The ARU/Call Center shall be capable of providing services for the hearing and/or speech impaired.
202	The Contractor shall use the state's toll-free teletypewriter (TTY) telephone number to provide hearing and/or speech-impaired services.
203	The ARU/Call Center shall provide services in the following 11 languages: English, Spanish, Cantonese, Vietnamese, Cambodian, Russian, Hmong, Eastern Armenian, Lao, Farsi, and Mandarin.
204	The Contractor shall provide English- and Spanish-speaking CSRs 24 hours per day, seven (7) days per week.
205	The Contractor shall provide CSRs or operator-assisted customer service for the following nine (9) languages, 24 hours per day, seven (7) days per week: Cantonese, Vietnamese, Cambodian, Russian, Hmong, Eastern Armenian, Lao, Farsi, and Mandarin.
206	The Contractor shall provide and maintain a toll-free retailer helpline for retailer inquiries regarding equipment, transactions, correction requests, and balances that is available from 8:00 a.m. to 5:00 p.m. Pacific Time, seven (7) days per week.
207	The retailer helpline shall be available during transition to assist retailers with model retailer agreements and other conversion questions.



#	Requirement
208	The Contractor shall provide services in English and Spanish on its retailer helpline.
209	The retailer ARU shall process manual voucher authorization transactions 24 hours per day, seven (7) days per week.
210	The Contractor shall provide a retailer ARU for manual voucher authorizations in English and Spanish.
211	The Contractor shall use state-provided scripts for the client and retailer ARUs that include the initial greeting, prompts, navigation, and single-call PIN select functionality (client ARU only).
212	The Contractor shall develop ARU documentation for the following in accordance with the DID provided by the state: <ul style="list-style-type: none"> <li>a. Client helpline script.</li> <li>b. Client and retailer ARU written prompts.</li> <li>c. Client ARU recorded prompts.</li> <li>d. Retailer manual voucher authorization script.</li> </ul>
213	The client ARU shall verify that the date of birth and Social Security Number entered by the cardholder matches the cardholder data in the system prior to allowing a PIN change to be made.
214	The client ARU shall not allow a PIN change if the cardholder's date of birth is not a valid date or if the cardholder's Social Security Number is not valid or all zeros.
215	The client ARU/Call Center shall accept calls from pay telephones.
216	The client ARU shall announce the cardholder's account balance(s).
217	The client ARU shall provide the ability for a cardholder to review, by account type, the ten (10) most recent successful transactions including the date and amount of each transaction.
218	Upon request, the client ARU shall generate a two-month statement of account history, by account type, that is mailed to the cardholder's address on record.
219	The client ARU shall provide the ability for a cardholder to change a PIN in a single call.
220	The client ARU shall provide the ability for a cardholder to inquire about the number of remaining cash withdrawal transactions without a fee to the client.
221	The ARU/Call Center shall maintain information of those counties who do not allow mailed cards or PINs to be sent to cardholders.

#	Requirement
222	The client ARU shall provide the ability for a cardholder to exit from the ARU and automatically transfer to a CSR.
223	The client ARU shall automatically route a call to a CSR if there is no response to ARU prompts.
224	The CSR shall have the ability to deactivate an EBT card.
225	The CSR shall have the ability to process a request for a replacement EBT card, when the address is correctly identified in the system.
226	Prior to issuing a mailed card, the CSR shall verify that the date of birth and Social Security Number (provided by the cardholder) matches the cardholder data in the system.
227	The CSR shall not allow issuance of a mailed card if the cardholder's date of birth is not a valid date or if the cardholder's Social Security Number is not valid or all zeros.
228	Prior to issuing a mailed card, the CSR shall verify that the cardholder's address in the system is valid.
229	The CSR shall not issue a mailed card if the county does not allow a mailed card to be sent to a cardholder.
230	The CSR shall not have the ability to change the cardholder's address in the system.
231	The CSR shall have the ability to process a cardholder's report of a lost or stolen EBT card.
232	The CSR shall have the ability to process a cardholder's report of unauthorized EBT card use or retailer fraud.
233	The CSR shall have the ability to open a correction request for a disputed transaction.
234	The CSR shall have the ability to respond to inquiries about the status of a correction request for a disputed transaction.
235	The CSR shall have the ability to process a request for a system-generated PIN to be mailed to the cardholder's address that is in the system.
236	Prior to issuing a mailed PIN, the CSR shall verify the cardholder's date of birth and Social Security Number provided by the cardholder matches the cardholder's data in the system.

#	Requirement
237	The CSR shall not allow issuance of a mailed PIN if the cardholder's date of birth is not a valid date or if the cardholder's Social Security Number is not valid or all zeros.
238	Prior to issuing a mailed PIN, the CSR shall verify the cardholder's address in the system is valid.
239	The CSR shall not issue a mailed PIN if the county does not allow a mailed PIN to be sent to a cardholder.
240	The Contractor shall develop a Customer Service Manual in accordance with the DID provided by the state.
241	The Contractor shall permit the state to conduct monitoring on the client ARU/Call Center via remote access at least monthly and more frequently if problems have been identified.
242	The Contractor shall provide the ability for state staff to interact with Contractor staff during call monitoring.
243	The Contractor shall provide a dedicated helpline for equipment, software, system access, correction request, and archive requests for state and county users.
244	Upon the state's request, the Contractor shall permit the state to inspect the Contractor's call centers.
245	The Contractor shall implement state-approved messages on the client ARU during cutover.
246	The Contractor shall provide a call capacity of 30,000 cardholder calls answered per hour by the ARU.

## 6.10 Client Website

### 6.10.1 Background

Customer service is a critical component of California's EBT Project. The state has invested significant time and effort to provide a high level of service to cardholders, county public assistance offices, and state users.

To enhance customer service, the state intends to provide an Internet-based customer service client website to support cardholder inquiries. The client website would allow cardholders to inquire about their balance, review and print recent transactions, change a PIN, send a question to a client CSR, find retailers and cash access locations, and other actions.

Any modifications to the client website will be made through the state's work authorization process.

### 6.10.2 Client Website Requirements

#	Requirement
247	The Contractor shall develop a client website.
248	The client website shall use HTTPS (a secure form of the Hypertext Transfer Protocol) to establish the request/response protocol between cardholders and the Contractor's web server(s).
249	The client website shall use SSL 3.0 or TLS 1.0 when negotiating the encryption method to be used.
250	The client website shall be compliant with applicable federal and California-specific Americans with Disabilities Act requirements.
251	The client website shall be compatible with screen reader technologies to assist visually impaired cardholders in accessing and using the client website.
252	The client website shall be available, at a minimum, in English and Spanish for both input and screen presentation.
253	The client website shall be available to all EBT cardholders over the Internet at no charge to the client, excluding third-party charges to the cardholder for access to the Internet.
254	The client website shall require a card number of an active card for cardholder access.
255	The client website shall use the card number and PIN to authenticate the cardholder's identity.
256	The client website shall provide the ability for cardholders to view current account balance regardless of account status.
257	The client website shall provide the ability for cardholders to view their demographic information.
258	The client website shall provide the ability for cardholders to view and print, at a minimum, all completed debit and credit transactions for the previous 60 days.
259	The client website shall provide the ability for cardholders to view details on transactions.
260	The client website shall provide the ability for the primary cardholder to view the name, card status, and account access for all cardholders on the EBT case.
261	The client website shall provide the ability for cardholders to submit correction requests for disputed transactions.
262	The client website shall provide the ability for cardholders to view the status of correction requests.

#	Requirement
263	The client website shall provide the ability for cardholders to change their PINs.
264	The client website shall provide the ability for cardholders to search for FNS-authorized retailers, participating retailers in the Restaurant Meals Program, and cash access locations by zip code and city.
265	The listing of FNS-authorized retailers and cash access locations used to support cardholder queries shall be updated on a monthly basis.
266	The client website shall capture and track all “hits” on the client website by individual case, card number, county, and statewide total.
267	The CSR shall have the ability to assist cardholders who want access to and assistance with the client website.

## 6.11 Card Issuance and Card Specifications

### 6.11.1 Background

California’s EBT card is formally referred to as the *Golden State Advantage Card*. The state spent significant time and effort to develop the design and layout of the card, and bidders should be aware the state does not intend to change the card design graphics or hologram. The Contractor is expected to adhere to the state’s design, layout, and technical specifications in producing all EBT card-related items including the EBT card itself and card sleeve. (The card sleeve is a paper carrier in which the card may be carried.) The Contractor will be responsible for providing enough cardstock and holograms to support its card production efforts and local card issuance in the counties.

Cardholders receive EBT cards by mail or directly at the county office. If the cardholder receives the initial EBT card by mail, the Contractor will send the EBT training pamphlet and wallet card in the language identified in the demographic record provided by the eligibility system. (The wallet card is a training document that may be folded and carried with the EBT card.) The state produces the training pamphlet and wallet card and will ship those items to the Contractor so the items may be included with the EBT card<sup>11</sup>. If the cardholder receives the EBT card at the county office, the county creates the physical EBT card and provides training materials (i.e., pamphlet and wallet card) and usually a list of retailers and financial institutions that accept the EBT card.

Counties currently use embossers to issue cards directly at a county office. The state has deployed approximately 309 card embossers to county offices to support local card embossing. The embossers are connected to county workstations that have proprietary embosser driver software that sends card issuance requests to the EBT host system. Upon receipt of a card embossing request by a user via the EBT host system, the

<sup>11</sup> The state has considered having the Contractor produce the training pamphlet and wallet card and would utilize the work authorization process if the state decides to make this change.

embosser embosses the card and encodes the magnetic stripe. The embossers (installed and spares) are owned by the state and maintained by the current EBT Contractor.

The state intends to discontinue the use of local card embossers, and replace them with Contractor-owned flat card printers. Prior to the completion of transition, the Contractor is expected to deploy card printers to the same locations that currently have embossers. Blank cardstock provided to county offices must meet the flat card printer manufacturer requirements.

Cardholders whose EBT cards are lost, stolen, or damaged will receive a replacement EBT card. Replacement EBT cards will be issued by mail if the cardholder calls the Call Center or a cardholder may visit a county office to obtain an EBT card directly. At this time, clients are not assessed a fee for replacement cards, and there is no limit to the number of replacement cards that may be issued to a cardholder.

To address county concerns on fraud and the potential for stolen EBT cards, counties may opt not to allow cardholders in their county to receive replacement EBT cards by mail. If a county has elected to not allow mailed replacement cards, the CSR is able to deactivate a card as needed and must inform the cardholder to visit his/her county office to obtain a replacement card.

### 6.11.2 Card Issuance and Card Specifications Requirements

#	Requirement
268	The Contractor shall be responsible for the ongoing production and issuance of the EBT card, the card sleeve, card carrier, and PIN mailers.
269	The Contractor shall be responsible for providing enough cardstock to support its card production efforts and local card issuance in the counties.
270	The Contractor shall send counties blank cardstock and card sleeves for local card issuance.
271	The Contractor shall send only inactive cardstock to county issuance locations.
272	The Contractor shall be liable for loss or misuse of cards or cardstock until cards or cardstock are received at the county-designated location.
273	The Contractor shall develop and implement a cardstock ordering process for counties to use to order blank cardstock and card sleeves for local card issuance.
274	The EBT card shall comply with federal regulations 7 CFR 274.12(h)(6), Quest <sup>®</sup> Operating Rules, and ISO standard 7811.
275	The Contractor shall produce the EBT card in accordance with the specifications, artwork, and layout specified in the Reprocurement Card Design Document. (This document is available in the bidders library.)

#	Requirement
276	The Contractor shall produce the card sleeve in accordance with the specifications, artwork, and layout specified in the Reprocurement Card Design Document.
277	The Contractor shall produce the card carrier in accordance with the specifications, artwork, and layout specified in the Reprocurement Card Design Document.
278	The Contractor shall produce the PIN mailer in accordance with the specifications, artwork, and layout specified in the Reprocurement Card Design Document.
279	The design for the EBT card, card sleeve, card carrier, and PIN mailer shall not change, unless approved by the state.
280	The Contractor shall submit a sample mock-up for state approval prior to any approved changes being made to the EBT card, card sleeve, card carrier, or PIN mailer.
281	The Contractor shall use a four-color printing process to produce the EBT card.
282	The Contractor shall develop a Card Design Document in accordance with the DID provided by the state.
283	The Contractor shall update the version number on the EBT card when generating a new batch of blank cardstock.
284	When versioning cardstock, the card version shall increase in increments of 1.0 (e.g., from V2.0 to V3.0), if there are approved format or design changes to the card.
285	When versioning cardstock, the card version shall increase in increments of 0.1 (e.g., V2.1, V2.2, etc.) for each reorder of cardstock, provided there are no format or design changes to the card.
286	The system shall not require cardholders to activate mailed cards.
287	The system shall not place a limit on the number of replacement cards that may be issued to a cardholder.
288	In the event the state decides to place a limit on the number of replacement cards that may be issued to a cardholder, the system shall allow and have the capability of placing such a limit.
289	When a mailed card is issued as the initial card for a new cardholder, the Contractor shall include a training pamphlet and wallet card in the language specified in the system by the cardholder language indicator.

#	Requirement
290	The Contractor shall mail new and replacement EBT cards using no less than U.S. Postal Service First-Class postage.
291	Following receipt of a mailed card-issuance request, the Contractor shall mail EBT cards no later than the next day in which U.S. Postal Service is available.
292	The Contractor shall not charge the cardholder for replacement cards.
293	In the event the state decides to charge cardholders for replacement cards, the system shall be capable of deducting any card replacement fee directly from a cardholder's food stamp or cash account.
294	The Contractor shall provide newly manufactured desktop card printers to replace the existing state-owned card embossers on a one-for-one basis prior to the completion of transition.
295	The Contractor shall own the card printers.
296	The card printers initially installed by the Contractor in state and county locations shall be of the same make and model.
297	Any changes to the make and model of the card printers shall require state approval.
298	The card printer shall have a maximum weight of 25 pounds.
299	The card printer shall include a physical security feature that, when utilized, deters unauthorized removal of the printers.
300	The card printer shall have an operator-replaceable print head and ribbon.
301	The card printer shall include an operator-replaceable continuous card cleaning roller.
302	The card printer shall include a Universal Serial Bus interface port and cable.
303	The card printer shall print and encode the state's poly-vinyl chloride cards as specified in the Reprocurement Card Design Document.
304	The card printer shall print information at a minimum resolution of 300 dots per inch.
305	The card printer shall record information at high coercivity to the ISO 7811-compliant magnetic stripe on the back of the card.
306	The card printer shall be capable of multi-color and monochrome printing.



#	Requirement
307	The card printer shall be capable of applying an overlay coating to the entire front of the card.
308	The card printer shall be capable of printing and applying overlay varnish to the front of the card, and magnetic stripe encoding on the back at the rate of 100 cards per hour.
309	The Contractor shall provide card printer software that will enable the EBT system to print and encode locally-issued EBT cards at any card printer known to the EBT system.
310	The card printer software shall route the card printing and encoding information to the card printer identified in the card printing request message.
311	The card printer software shall return the status of the card printing request to the EBT host system.
312	The Contractor shall be responsible for initial delivery, setup, and connectivity of all card printers.
313	The Contractor shall provide a manufacturer user manual with each card printer installed at state and county offices throughout the state.
314	The Contractor shall provide an ongoing supply of ribbon and print heads for each card printer installed at state and county offices throughout the state.
315	The Contractor shall test, and certify ready for use, the EBT card printer interface in each county prior to cutover.
316	The Contractor shall be responsible for hardware and software maintenance of all card printers used for state and county card issuance.
317	The Contractor shall describe service activities and provide a schedule for preventive maintenance of card printers in accordance with the Administrative Equipment Preventive Maintenance Schedule DID provided by the state.
318	The Contractor shall repair or replace an inoperable card printer within <u>two (2) business days</u> <del>32 hours</del> of initial notification of a card printer failure.
319	In the event of a card printer replacement, the Contractor shall provide a replacement card printer of the same model or with a state-approved model that meets or exceeds the manufacturer's specification for the model being replaced, and that is functionally compatible with the Contractor's local card issuance interface.
320	The Contractor shall maintain a record, for state review, of the failure, service, and replacement history of card printers.

#	Requirement
321	The Contractor shall describe service activities and provide a schedule for preventive maintenance of printers in accordance with the Administrative Equipment Preventive Maintenance Schedule DID provided by the state.
322	The Contractor shall maintain an inventory of at least 500,000 holograms that can be used for the production of new cards.
323	On a weekly basis, the Contractor shall retrieve lost or stolen cards sent to the state-leased Post Office Box in Sacramento, California.
324	The Contractor shall deactivate and destroy lost or stolen EBT cards returned to the state-leased Post Office Box.

## 6.12 Personal Identification Numbers

### 6.12.1 Background

Cardholders use a four-digit PIN when using their EBT card to buy items or withdraw funds. If the EBT card is mailed, a PIN is normally provided shortly after the card is received. If the card is locally issued, the cardholder normally selects a PIN using a PIN selection device. Cardholders may change their PIN at any time using a county office PIN selection device or by using the ARU or client website.

Counties currently use Card Activation and PIN Selection (CAPS) devices (Model: MagTek APTM) to conduct PIN issuance directly at a county office. The state has deployed approximately 460 CAPS devices to county offices to support local PIN selection. The CAPS devices use contractor-provided telecommunication lines shared with other states for CAPS terminal connectivity with the California EBT host system. Local dial-out analog circuits are used at each of the CAPS devices to connect to the shared telecommunication lines. All CAPS devices are owned by the state and maintained by the current EBT Contractor.

The state intends to discontinue the use of the current CAPS devices, and replace them with alternate PIN selection equipment (e.g., a POS device that performs PIN selection) to be owned by the Contractor. Prior to completion of transition, new PIN selection equipment will be deployed to the same locations that currently have CAPS devices.

A system-generated, mailed PIN may be issued at any time to a new or existing cardholder through the eligibility system interface or by a CSR. When a card and PIN are issued at the same time, the mailed PIN is delayed so that it is mailed one (1) or two (2) days after the mailed card. To address county concerns on fraud and the potential for stolen EBT cards, counties may opt not to allow cardholders in their county to receive a replacement PIN by mail. If a county elects to not allow mailed replacement PINs, the CSR will inform the cardholder to use the client ARU PIN change feature, the client website, or to visit his or her county office to obtain a new PIN.

**6.12.2 PIN Requirements**

#	Requirement
325	The Contractor shall issue and maintain PIN data consistent with federal and state law.
326	The PIN shall be comprised of four (4) numbers.
327	The system shall verify the PIN is linked to the EBT card number.
328	When a cardholder is required to enter his/her PIN to perform an EBT function, the EBT system shall limit incorrect PIN entries to four (4) consecutive PIN attempts within a calendar day.
329	After the fourth consecutive unsuccessful PIN attempt, the system shall temporarily disable the card until 12:00 a.m. Pacific Time of the next calendar day.
330	For PINs disabled during a given calendar day, the system shall reset the excessive, incorrect PIN attempt count to zero at 12:01 a.m. Pacific Time on the following calendar day.
331	The Contractor shall not set a limit on the number of times a cardholder may change his/her PIN.
332	The system shall have the ability to send a system-generated PIN to the cardholder's address that is in the system.
333	The Contractor shall mail PINs using no less than U.S. Postal Service First-Class delivery service.
334	If a mailed PIN issuance is requested with a mailed card issuance for the same cardholder, the Contractor shall mail the PIN two (2) postal days after mailing the EBT card.
335	If a mailed PIN issuance is requested without a mailed card issuance for the same cardholder, the Contractor shall mail the PIN no later than the next postal day following receipt of a mailed PIN issuance request.
336	In the event of a card replacement, the Contractor shall link the existing PIN to the new EBT card number.
337	The Contractor shall allow PINs to be selected at a county office using PIN selection equipment over a local telephone line.
338	The Contractor shall provide newly-manufactured PIN selection equipment to replace the existing state-owned CAPS devices, on a one-for-one basis prior to completion of transition.
339	The Contractor shall provide a manufacturer user manual with each PIN selection device installed at state and county offices throughout the state.
340	The Contractor shall own the PIN selection equipment installed by the Contractor.

#	Requirement
341	All PIN selection equipment initially installed in state and county locations shall be of the same make and model.
342	Any changes to the make and model of the PIN selection equipment shall require state approval.
343	The PIN selection equipment shall require a user account (logon identifier and password) to execute PIN actions.
344	The Contractor shall use the existing analog telecommunication circuits installed in state and county offices with its PIN selection equipment to connect to the EBT host system.
345	The Contractor shall be responsible for initial delivery, setup, and connectivity of all PIN selection equipment.
346	The Contractor shall test, and certify ready for use, the PIN selection device interface in each county prior to the completion of transition.
347	The Contractor shall be responsible for maintenance of all PIN selection equipment.
348	The Contractor shall describe service activities and provide a schedule for preventive maintenance of PIN selection equipment in accordance with the Administrative Equipment Preventive Maintenance Schedule DID provided by the state.
349	The Contractor shall repair or replace inoperable PIN selection equipment within <u>two (2) business days</u> <del>32 hours</del> of initial notification of a PIN selection equipment failure.
350	In the event of PIN selection equipment replacement, the Contractor shall provide replacement PIN selection equipment of the same model if available, or with a state-approved model that meets or exceeds the manufacturer's specification for the model being replaced, and that is functionally compatible with the Contractor's PIN selection equipment interface.
351	The Contractor shall maintain a record, for state review, of the failure, service, and replacement history of PIN selection equipment.

## 6.13 Cash Access

### 6.13.1 Background

California's EBT program includes cash assistance in addition to food stamps. To promote access to cash benefits via EBT, the state implemented a comprehensive cash access program. The primary goal of this program is to ensure clients are able to access their cash benefits to meet their major financial obligations, such as rent and utilities, within four (4) cash withdrawal transactions per month. Thereafter, the goal is to ensure clients have access to any remaining benefits at a reasonable cost.

The average monthly CalWORKs grant is \$484 and can exceed \$2,000 per month, depending on the size of the family. With over 421,000 cash cases, the cash access requirements for EBT in California are significant. In its original EBT implementation, the EBT Project achieved broad cash access throughout the state and, in partnership with the current EBT Contractor, recruited national, state, and local financial institutions, as well as retailers and other locations. Currently, California's cash aid clients can access their benefits at approximately 31,500 ATM and 21,800 retailer locations throughout the state.

The state uses a minimum cash access standard that includes four (4) components: capacity, proximity, distribution, and alternatives. Capacity refers to the ability to meet the expected demand for cash within a zip code on benefit issuance days. Expected demand is calculated by multiplying the number of cash benefit clients by the average CalWORKs grant in that zip code and dividing that product by three (3) (to account for the three-day cash stagger).

Capacity is calculated using the type of location, hours of operation, number of transactions, and transaction amount. The types of locations include ATMs with a surcharge, ATMs without a surcharge, check cashers, single-lane retailers such as small markets, and multi-lane retailers such as large grocery stores. In calculating a location's capacity, the state multiplies the number of transactions per hour by the hours of operation by a maximum transaction amount of \$200. Adequate capacity is achieved when the daily capacity of surcharge-free cash access locations exceeds the expected demand for cash within the zip code. Any calculations for capacity should also factor in the expected commercial, non-EBT demand on cash access locations.

Proximity refers to the availability of cash access locations within the zip code where clients live. If capacity is met within the zip code of the caseload, then adequate proximity has been achieved. If the commercial infrastructure within the zip code cannot support the caseload, access in a bordering part of a neighboring zip code is used to satisfy the standard for proximity. For example, a shopping center with ATM access may be two (2) blocks away from a high-density client population, but in a different zip code.

Distribution is used to measure whether cash access locations are adequately dispersed within a zip code. This relates to both the ratio of cases to access locations, as well as their distribution throughout the zip code. For example, a small number of cash access locations within the zip code, even if they have adequate cash capacity, may be inadequate to serve a large population of clients because they will result in long lines. Alternately, there may be many cash access devices clustered together in a location that is practically inaccessible.

Finally, if cash access cannot be demonstrated using the standards of capacity, proximity, and distribution, alternatives are used to resolve cash access issues for a zip code. Acceptable alternatives have included the ability to pay rent at the public housing where a large percentage of clients in the zip code live, the use of cash access locations that provide less than \$200 per transaction, or locations that provide free money orders or bill payment services. The use of an alternative to meet the minimum access standard is subject to state and county approval.

The state requires the current EBT Contractor to submit annual Cash Access Plans for each county participating in cash EBT that presents how that standard is satisfied, what the cash access data is for a given county, and any changes in cash access. In addition, the current EBT Contractor provides the state with a monthly report that identifies cash access locations by county and zip code. These reports are made available to the counties through the state's EBT Project website. Counties, in turn, may use these reports to create lists clients can use to identify locations where they can access their cash.

The state intends to continue to provide no less than the current level of cash access in every county that offers cash EBT. The Contractor will submit a Change in Cash Access Analysis document that presents details on any change in cash access by zip code for each county. This document will be provided to the state and each county for review prior to conversion, and is subject to state approval. Thereafter, for each county that offers cash EBT, the Contractor will provide an annual Cash Access Plan and monthly cash access reports to the state.

### 6.13.2 Cash Access Requirements

#	Requirement
352	For each county that offers cash EBT, the Contractor shall create a cash access standard that meets or exceeds the cash access standard as of contract execution in that county using the state's measures of capacity, proximity, distribution, and alternatives.
353	To calculate expected demand for each county that offers cash EBT, the Contractor shall use the average dollar amount of CalWORKs and GA/GR grants multiplied by the number of CalWORKs and GA/GR cases in each zip code.

#	Requirement
354	To calculate the capacity of a single-lane retailer that provides full cash back, the Contractor shall use the following formula: 2.5 transactions per hour x 10 hours x <del>\$500 maximum cash back amount.</del>
355	To calculate the capacity of a multi-lane retailer that provides full cash back, the Contractor shall use the following formula: 12 transactions per hour x 10 hours x <del>\$500 maximum cash back amount.</del>
356	To calculate the capacity of a single-lane retailer that limits the amount of cash back, the Contractor shall use the following formula: 2.5 transactions per hour x 10 hours x <del>\$500 maximum cash back amount.</del>
357	To calculate the capacity of a multi-lane retailer that limits the amount of cash back, the Contractor shall use the following formula: 6 transactions per hour x 3 lanes x 10 hours x <del>\$500 maximum cash back amount.</del>
358	To calculate the capacity of a check-cashing location, the Contractor shall use the following formula: 12 transactions per hour x 10 hours x number of windows x \$500.
359	To calculate the capacity of a bank-owned ATM, the Contractor shall use the following formula: 12 transactions per hour x 10 hours x \$500.
360	To calculate the capacity of an ATM owned or controlled by a third party or retailer, the Contractor shall use the following formula: 12 transactions per hour x 10 hours x \$300.
361	To calculate the capacity of an independently owned ATM, the Contractor shall use the following formula: 12 transactions per hour x 10 hours x \$200.
<u>361.1</u>	<u>Proximity shall be met if the capacity is met within the zip code of the caseload.</u>
<u>361.2</u>	<u>If capacity is not met within the zip code of the caseload, the Contractor shall use a bordering part of a neighboring zip code to satisfy the standard of proximity.</u>
362	<del>Requirement deleted. The Contractor shall enter into an agreement with, at a minimum, one (1) major regional network (such as STAR<sup>®</sup>, Cirrus<sup>®</sup>, PLUS, or the equivalent) that provides access to a majority of ATM acquirers across the state to fulfill cash access requirements.</del>
363	The Contractor shall have at least one (1) ATM acquirer providing ATM access throughout the state without the imposition of surcharges.
364	The Contractor shall pay the interchange fee, if any, for the electronic funds transfer transaction to the ATM owner that acquires the EBT card transaction.

#	Requirement
365	The Contractor shall incur the costs associated with the first four (4) cash withdrawals per case per month as part of the Cost per Case Month (CPCM).
366	For each county that offers cash EBT, the Contractor shall develop a County Change in Cash Access Plan in accordance with the DID provided by the state.
367	For each county that offers cash EBT, the Contractor shall provide a Draft County Change in Cash Access Plan six (6) months prior to the completion of transition.
368	For each county that offers cash EBT, the Contractor shall provide a Final County Change in Cash Access Plan 60 days prior to the completion of transition.
369	For each county that offers cash EBT, the Contractor shall be required to implement cash access in each county according to the Final County Change in Cash Access Plan that has been accepted by the state.
370	For each county that offers cash EBT, the Contractor shall submit an annual County Cash Access Plan in accordance with the DID provided by the state.
371	For each county that offers cash EBT, the Contractor shall inform the state of any change in cash access which results in an area that does not meet the cash access standard (at the time of contract execution) within 30 days of knowledge of the change.
372	For each county that offers cash EBT, the Contractor shall, <a href="#">at the state's request</a> , prepare an update of a county's Cash Access Plan within 30 days of notifying the state of the change in cash access.
373	<a href="#">Requirement deleted.</a> <del>For each county that offers cash EBT, the Contractor shall verify and update the counties' enrolled FNS retailers' cash-back policies on an annual basis.</del>
374	For each county that offers cash EBT, the Contractor shall include <a href="#">known non-FNS</a> retailer cash-back data in its Cash Access Plan.

## 6.14 Restaurant Meals Program

### 6.14.1 Background

The Food Stamp Act provides the option for states to implement a Restaurant Meals Program that enables homeless, disabled, and elderly food stamp clients, without access to home cooking facilities, to use food stamp benefits to purchase meals at participating restaurants. Currently, four (4) counties are participating in the Restaurant Meals Program. Appendix I provides information on the number of participating



restaurants, redemption amounts, transactions, and eligible clients for each county that offers a Restaurant Meals Program.

A Restaurant Meals indicator for a cardholder is set by the county worker using the administrative application or through the eligibility system via host-to-host or batch interface. The cardholder Restaurant Meals indicator identifies eligibility to make food stamp purchases at FNS-approved restaurants. The FNS REDE file contains a Restaurant Meals indicator that identifies FNS-approved restaurants. When the system receives a food stamp purchase transaction from a retailer identified as an FNS-approved restaurant, the system must validate the cardholder is eligible for the Restaurant Meals Program before approving the transaction. No limitations are placed on cash account transactions conducted at restaurants that accept the EBT card.

#### 6.14.2 Restaurant Meals Program Requirements

#	Requirement
375	The system shall identify FNS-approved restaurants using the daily FNS REDE file.
376	The system shall deny food stamp account transactions at FNS-approved restaurants if the cardholder Restaurant Meals Program indicator has not been set to allow Restaurant Meals Program purchases.
377	The system shall not restrict cardholder cash account transactions at restaurants that accept the EBT card.

### 6.15 Retailer Conversion and Ongoing Support

#### 6.15.1 Background

Currently there are over 51,800 retail locations where cardholders may access their food stamp and/or cash benefits. To provide adequate access to EBT benefits and enable small retailers to accept the EBT card, the state has deployed approximately 12,000 POS devices in locations throughout California. In addition, the state has utilized wireless POS devices for farmers' markets in California, in both rural and urban settings. These EBT-only POS devices are used for both food stamp and cash transactions. The state owns these devices and the current EBT Contractor is responsible for maintenance. The current EBT Contractor has an inventory management methodology and system to accurately track each piece of equipment by type, model and serial number, state asset tag number, county, and location.

Retailer conversion refers to those activities to move all participating retailers from one contractor to another. This involves the execution of EBT-only POS agreements and installation of software and/or equipment at those EBT-only retailers. It includes the conversion of integrated, TPP, and nontraditional retailers (e.g., farmers' markets, mobile vendors, home-delivery grocers), as well as TPP recertification. Retailer

conversion also includes training and information for retailers about the conversion effort.

Given the scale of California's retail community, timing and monitoring of retailer conversion activities is critical to a successful transition. Bidders are encouraged to be thorough in their discussions of how California's retailer conversion will be achieved. The bidders library contains reports that list current EBT retailers in the state and the location of state-owned, EBT-only POS devices.

On an ongoing basis, the Contractor will need to provide retailer support. Retailer support includes those activities related to maintaining current information on FNS-authorized retailers, supporting integrated retailers who conduct EBT transactions, and creating and maintaining contracts with retailers who use EBT-only POS devices. It also includes training retailers that use EBT-only POS devices, nontraditional FNS retailers (e.g., group living facilities, route vendors, and farmers' markets), retailers supporting their own terminals, TPPs, as well as those participating only in cash EBT.

While FNS regulation 274.12 (h)(4)(c) requires the Contractor to review redemption levels for newly authorized food retailers before deploying an EBT-only POS device, the state expects the Contractor will deploy an EBT-only POS device to the retailer regardless of redemption levels. In accordance with FNS regulation 274.12 (h)(4), the state will monitor all retailer redemption levels, and determine if any EBT-only POS devices should be de-installed. Determination of whether or not to de-install EBT-only POS devices is at the sole discretion of the state.

### 6.15.2 Retailer Conversion and Ongoing Support Requirements

#	Requirement
378	The Contractor shall enter into retailer agreements with retailers to accept the EBT card.
379	The Contractor shall develop a Retailer Conversion Plan in accordance with the DID provided by the state.
380	The Contractor shall develop a Model Retailer Agreement in accordance with the DID provided by the state.
381	The Contractor shall develop a Retailer Management Plan in accordance with the DID provided by the state.
382	The Contractor shall obtain approval of its Model Retailer Agreement from the state and the FNS prior to executing any contracts with EBT-only retailers.
383	The Contractor shall distribute, collect, and process retailer agreement packages.
384	The Contractor shall maintain and distribute retailer packages for integrated, EBT-only, and nontraditional retailers.

#	Requirement
385	The Contractor shall have 95 percent of the EBT-only retailers in each county operational on the POS devices at completion of transition.
386	The Contractor shall mail three (3) notices to all retailers regarding cutover during EBT conversion: <ul style="list-style-type: none"> <li>a. 60 to 90 days prior to cutover</li> <li>b. 45 days prior to cutover</li> <li>c. 15 days prior to cutover</li> </ul>
387	The Contractor shall mail all notices to retailers at no cost to the state.
388	The Contractor shall obtain daily FNS REDE files beginning when it initiates retailer conversion activities.
389	The Contractor shall maintain a database of EBT retailer information that includes information provided via the FNS REDE file.
390	The Contractor shall remove a deauthorized or withdrawn retailer from its list of authorized retailers within two (2) business days of receipt of the information from the FNS REDE file.
391	The Contractor shall provide ongoing training for retailers.
392	The Contractor shall prepare and produce training materials for retailers in English and Spanish.
393	The Contractor shall mail retailer training materials.
394	The Contractor shall provide face-to-face retailer training for all multi-lane retailers and, upon request, for any other retailer.
395	The Contractor shall update retailer redemption statistics based on data provided by the FNS two (2) times per year.
396	The Contractor shall provide a listing of all retailer redemption statistics to the state within 30 days of receipt of the data from the FNS.
397	The Contractor shall ensure new retailers are able to conduct food stamp transactions within two (2) weeks of communication of authorization by the FNS, if the Contractor acts as the acquirer.
398	The Contractor shall ensure new retailers are able to conduct food stamp transactions within 30 days, if the retailer processes transactions through a TPP.
399	The Contractor shall deploy an EBT-only POS device to any newly authorized FNS retailer.

## **6.16 Settlement and Reconciliation**

### **6.16.1 Background**

Settlement is the process by which retailers and ATM owners are reimbursed on a daily basis for authorized benefits they have redeemed during the most recently completed transaction day. It is also the process by which funds are drawn from each individual benefit program's funding account to cover that day's financial settlement.

EBT financial settlement operates on a day-of-draw basis. An individual client's benefit account is credited on the date of benefit availability with the entire benefit amount due that client. However, no funds change hands at that time. As the client redeems her/his benefits, only the actual amount redeemed is settled (transferred from the funding program's bank account to the redeeming retailer's bank account).

Financial settlement is based on a 24-hour transaction day that has a predetermined cutoff point designed to allow sufficient time to make the overnight window for electronic funds transfer to retailer and ATM owners' bank accounts. This cutoff point in California is 3:00 p.m. Pacific Time. Retailers and ATM owners will receive settlement on the next business day for all benefits redeemed by the 3:00 p.m. cutoff time of the current business day. Benefits redeemed after the cutoff will be settled on the second business day. Settlement only occurs on banking business days. Consequently, the funds movement for Friday, Saturday, and Sunday will normally occur on Monday, or later if there is a banking holiday.

Reconciliation is the process by which the Contractor and the government monitor and manage the financial integrity of the EBT system. An EBT system is much like a general ledger system, relying on an account structure and double-entry bookkeeping principles. On a daily basis, each of the participants has a requirement to monitor one (1) or more of the various sub-accounts incorporated in the EBT system and to validate the accuracy of the change in the value in that account from the end of the previous day to the end of the current day based on activity recorded during that day.

Reconciliation takes place on a 24-hour business day basis that is different from the transaction day described above for settlement. The business day is based on the point in time the Contractor cuts off for reporting and balancing its system internally. This is currently 10:00 p.m. Pacific Time. Reports the counties and the state use for reconciliation are based on this business day timeframe and are produced seven (7) days per week.

Settlement of cash benefits is conducted at the county level. Each of the participating cash EBT counties settles directly with the Contractor. Most counties have elected to maintain a zero-balance account whereby only the settlement amount is maintained in that account. A few counties have elected to pre-fund the account. Counties could also use overdraft protection as their settlement method; however, no counties have elected to use this approach. To ensure the success of county settlement activities following cutover, the Contractor will conduct draw-down tests with each county.

Currently, settlement of all food stamp benefits is conducted at the state level with FNS through the Automated Standard for Application for Payments (ASAP) system. The state is considering the addition of new food stamp benefit types that will be funded by the state or the counties using the same processes used to settle cash benefits. The system must have the ability to independently settle specific benefit types designated by the state. Any new benefits with separate settlement requirements would be added through the state's work authorization process.

### 6.16.2 Settlement and Reconciliation Requirements

#	Requirement
400	The Contractor shall provide settlement processing, accounting, reconciliation, and reporting services for California EBT.
401	The Contractor's settlement and reconciliation activities shall be performed with 100 percent accuracy.
402	The Contractor shall comply with FNS-required EBT settlement and reconciliation requirements.
403	The Contractor shall meet food stamp reconciliation requirements of the federal regulation 7 CFR 274.12(j).
404	The Contractor shall develop a Settlement and Reconciliation Plan in accordance with the DID provided by the state.
405	The Contractor shall assist the state with the completion of the ASAP Bank Information form.
406	The Contractor shall use the state's current Bank Identification Number (BIN) for routing transactions for approval and settlement.
407	The Contractor shall file the ASAP Bank Information form with the U.S. Department of the Treasury Financial Management Services no less than 60 days prior to the completion of transition.
408	The Contractor shall use Automated Clearing House (ACH) transfers as the primary method for settling cash benefits with each cash county.
409	The Contractor shall use Federal Reserve Wire transfers as the backup method for settling cash benefits with each cash county.
410	The Contractor shall complete transfers with each county bank by 6:00 a.m. Pacific Time for settlement of the previous day's cash transactions.
411	The Contractor shall conduct a dry-run test of the ACH and Federal Reserve Wire processes with each cash county's bank no less than 60 days prior to completion of transition.

#	Requirement
412	Each county ACH and Federal Reserve dry-run test shall consist of: <ul style="list-style-type: none"> <li>a. \$1.00 credit via ACH</li> <li>b. \$1.00 debit via ACH</li> <li>c. \$1.00 credit via Federal Reserve Wire</li> <li>d. \$1.00 debit via Federal Reserve Wire</li> </ul>
413	The Contractor shall reimburse counties via ACH for any fees incurred with testing the Federal Wire processes.
414	The Contractor shall conduct settlement for cash transactions with each cash county.
415	The Contractor shall fund the settlement account to support EBT Transaction Switch settlement to reimburse the gateway for the day's transactions.
416	The Contractor shall compare the EBT Transaction Switch daily activity with the Contractor's host daily activity to identify and correct any unmatched or mismatched items.
417	The Contractor shall reconcile daily settlement activity to the Contractor's daily host settlement values.
418	The Contractor shall complete a monthly synchronization of benefits to ensure that the outstanding book liability agrees with the outstanding account balances.
419	The Contractor shall reconcile the account balance to the sum of remaining grant balances at least once every month.
420	The Contractor shall provide the Account Management Agent (AMA) file to the Federal Reserve Bank in accordance with federal regulation.
421	The Contractor shall provide FNS with the Store Tracking and Redemption System (STARS) file in accordance with federal regulation.
422	The Contractor shall provide the state with a copy of its Statement on Auditing Standard 70 Report (SAS 70) on an annual basis.
423	For food stamp and cash programs, the Contractor shall initiate settlement payments to acquirers through ACH transfers each settlement day.
424	If ACH transfers to acquirers fail, the Contractor shall use Federal Reserve wire transfers to complete settlement.
425	The Contractor shall be liable for errors in the ACH file.
426	The settlement day shall begin and end at 3:00 p.m. Pacific Time.

#	Requirement
427	The Contractor shall settle day-of-draw food stamp transactions on the next business day.
428	The Contractor shall originate a daily payment request through the ASAP system prior to or by 8:59 p.m. Pacific Time for settlement of food stamp transactions.
429	The Contractor shall settle day-of-draw cash transactions on the next business day.
430	The system shall have the ability to settle and reconcile specific food stamp benefits, with benefit types designed by the state, separately from benefits settled through the ASAP system.
431	The system shall have the ability to settle cash benefits for each cash county by benefit type using multiple county bank accounts.
432	The Contractor's concentrator bank shall be a federally insured financial institution.
433	For TPPs or other service providers that are directly connected to the Contractor's EBT host, the Contractor shall execute a single settlement payment for EBT benefits provided during the settlement day.
434	The Contractor shall transfer ACH data containing daily redemption activity of each retailer to the FNS Benefit Redemption Systems Branch.

## 6.17 Training

This section presents training requirements for clients and state and county users.

### 6.17.1 Background

#### 6.17.1.1 Client Training

In the original EBT implementation, clients participated in contractor-provided training that was comprised of viewing the EBT Client Training Video, a question and answer session, and card issuance and PIN selection (if elected by the county). Clients also received a training pamphlet and wallet card.

On an ongoing basis, county staffs are responsible for providing client training. Counties may show the EBT Client Training Video, provide training materials, and/or provide individual training depending on the client's needs and county resources. Contractor resources are not used to provide ongoing client training.

Because there is no significant change to the EBT card and because the changes to client service (e.g., the addition of a client website) are minimal, there are no client training requirements for transition or thereafter.

There are four (4) counties who do not issue cash benefits via EBT. These counties may elect to add cash benefit programs to their EBT program. In this instance, the county may request client training. The Contractor can expect that such requests for training will be made using the state's work authorization process.

#### **6.17.1.2 State and County Staff User Training**

On an ongoing basis, state and county staffs are responsible for training new employees on EBT and the use of the administrative application. To support these activities, the Contractor will be responsible for keeping its user manuals and system help tools current as changes or enhancements to the system are made.

The Contractor will be expected to provide training to state and county users. In scoping the training requirements for state and county users, bidders should consider the following:

- Users are experienced with the concept of EBT, EBT system administrative application functionality, and administrative equipment.
- Each state and county user does not need to be trained by the Contractor.
- Most users use the host-to-host interface between their eligibility system and the EBT host system. These users conduct EBT functions in the context of their eligibility system. Since interfaces will not change, there will be no change in host-to-host functionality. This significantly reduces the number of users who need training.

The state believes regionally-based training for trainers (T-for-T) and the availability of computer-based training (CBT) will satisfy county user training needs. The T-for-T training should include discussions on:

- EBT system functionality.
- Administrative equipment (PIN selection devices, BIO POS devices, card printers, etc.).
- Reports and problem tracking systems and processes.
- Fraud investigation functionality.
- Settlement and reconciliation.
- User access.
- Suggested training structure for county users.

Those who attend T-for-T would, in turn, provide training to their respective county staff based on information received at the T-for-T session.

Based on 58 counties, the state estimates that a minimum of eight (8) regionally-based sessions would be sufficient (two [2] in southern California, two [2] in central California, two [2] in the San Francisco Bay Area, and two [2] in northern California). The state has



also estimated that approximately 200 people statewide would attend the regionally-based T-for-T sessions.

For ongoing training and to supplement training during transition, the state seeks a training presentation or CBT. The state is interested in interactive CBT that allows users to navigate and work directly in the EBT application. This CBT could be available as an online tutorial within a browser-based application or a software tool that could be loaded onto workstations in state and county locations.

### 6.17.2 Training Requirements

#	Requirement
435	The Contractor shall be responsible for preparing and providing training on the EBT system and related components including, but not limited to, administrative application functions, card printers, PIN selection devices, POS devices, fraud investigation functionality, reports and problem tracking, and user access for state and county users.
436	The Contractor shall develop a Training Plan in accordance with the DID provided by the state.
437	The Contractor shall develop an Administrative User's Guide in accordance with the DID provided by the state.
438	The Contractor shall provide hands-on T-for-T training for county users.
439	The Contractor shall provide T-for-T training regionally in state-approved locations throughout the state.
440	The Contractor shall complete the T-for-T training no later than three (3) months prior to cutover.
441	The Contractor's T-for-T training shall be no more than six (6) hours in duration.
442	The Contractor shall conduct T-for-T training between the hours of 9:00 a.m. and 3:00 p.m. Pacific Time to accommodate county staff travel time.
443	The Contractor shall locate and secure training facilities for T-for-T training sessions.
444	The Contractor shall supply all equipment required to conduct T-for-T training.
445	The Contractor shall provide copies of all T-for-T training materials for state approval no later than seven (7) months prior to cutover.
446	The Contractor shall provide hard copies of all T-for-T training materials to participants.

#	Requirement
447	The Contractor shall conduct an annual T-for-T training refresher session in Sacramento, California.
448	The Contractor shall prepare an ongoing training presentation on system navigation, access, functionality, and the use of administrative equipment for ongoing training needs.
449	The Contractor's ongoing training presentation shall be provided in an electronic format that is compatible with Microsoft Office 2003, or a later version.

## 6.18 EBT Host System

### 6.18.1 Background

The California EBT system provides access to food stamp and cash benefits to California clients. In addition, the system allows county and state staff to perform various actions associated with the administration and management of the EBT system.

To provide this functionality, the Contractor will have hardware, software, and network components that constitute its EBT host system. The EBT host system will include one (1) or more browser-based applications.

### 6.18.2 California EBT Host System Requirements

#	Requirement
450	The Contractor shall maintain an accuracy standard of no more than two (2) errors per 10,000 transactions processed.
451	The Contractor shall develop a Detailed System Design in accordance with the DID provided by the state.
452	The system shall include both primary and backup EBT host production systems.
453	The backup EBT host production system shall have network, online information storage, and processing capacity to accommodate the California EBT production system workload 24 hours per day, seven (7) days each week.
454	The backup EBT host production system shall be able to take over all EBT host processing within four (4) hours following a decision to switch to the backup system.
455	The system shall include at least one (1) EBT host test system loaded with the current version of the production software and with the capability to accommodate concurrent and logically separate county-level testing from multiple counties.

#	Requirement
456	The EBT host test system shall include the ability to clear data for a single county without affecting data for other counties.
457	The Contractor shall schedule an EBT host production system outage during periods when the impact to cardholders is lowest based on usage statistics.
458	The Contractor shall not schedule an EBT host test system outage during periods of scheduled eligibility system EBT testing.

### 6.18.3 Browser-Based Application Requirements

#	Requirement
459	The EBT host system shall include one (1) or more browser-based applications.
460	Browser-based applications shall be accessed through the state and county EBT administrative network.
461	Browser-based applications shall use SSL 3.0 or TLS 1.0 when negotiating the encryption method to be used.
462	Browser-based applications shall have 128-bit AES encryption as one of the available encryption algorithms.
463	Browser-based applications shall operate as designed using Microsoft Internet Explorer 6 and above.
464	Browser-based applications shall not require browser plug-ins with the exception of Adobe® Reader®.
465	The system shall provide screen or page-level help that provides information on the specific functionality and data fields on each page or screen.
466	Access to the browser-based applications shall require a user identifier and password.
467	The system shall allow access to browser-based applications functions and data to be restricted by user identifier.
468	Each browser-based application user identifier shall be associated with an application security group.
469	There shall be one application security group for each county valid county code as well as state and federal application security groups.
470	The administrative application shall include a disaster security group.
471	Each application security group shall have one (1) or more group security administrator(s).

#	Requirement
472	Browser-based applications shall allow security administrators to add and delete users, and modify user access rights within their counties or administrative units.
473	Browser-based applications shall provide the ability for users to change their own user passwords.
474	Browser-based applications shall provide the ability for security administrators to reset passwords of users within their security group.
475	By default, browser-based applications shall allow viewing of data by all users in all security groups.
476	Browser-based applications shall be able to limit viewing of data, by county, to users in security groups specified by the state.
477	Browser-based applications shall require that passwords be changed periodically, but not more frequently than once a month.
478	Browser-based application user identifiers shall be expired and locked if not used for a set period of time.
479	Browser-based application user identifiers shall be deleted if expired for a set period of time.

## 6.19 EBT Database Conversion

### 6.19.1 Background

The most important aspect of transition, and the most critical, is conversion and transfer of host system data between contractors. With over 880,000 cases, converting California's EBT data will be a significant undertaking.

California must have a single cutover and it will be scheduled at the end of the third week of the conversion month. The data indicates that, in most cases, the monthly benefits have been used and the issuance of new benefits is lower at this time of month. Therefore, there will be a reduced impact to cardholders when the system is brought down during cutover. The state's goal is to have as short an outage as possible and to impact cardholder activity for no more than 24 hours.

The state expects that all account and benefit grant aging data and status will be carried over during conversion and that aging clocks will not be reset.

The state will hold a Go/No-Go meeting with the Contractor prior to database conversion to ascertain if the Contractor and state are ready to proceed with database conversion. Both parties will use a Go/No-Go matrix identifying key activities and milestones that must be successfully completed to move forward. If the state and Contractor decide not to proceed, the Contractor is expected to participate in all additional Go/No-Go meetings.

### 6.19.2 EBT Database Conversion Requirements

#	Requirement
480	The Contractor shall develop a Statewide Transition Plan outlining the overall transition strategy in accordance with the DID provided by the state.
481	The Contractor shall develop a Database Conversion Plan in accordance with the DID provided by the state.
482	The Contractor shall develop a Database Conversion Test Plan in accordance with the DID provided by the state.
483	The Contractor shall receive and process the following conversion files: <ul style="list-style-type: none"> <li>a. Transaction history (online and offline)</li> <li>b. Benefit data</li> <li>c. Demographic data</li> <li>d. Retailer data (retailer database and FNS REDE files)</li> </ul>
484	The Contractor shall transfer existing client card numbers.
485	The system shall enable clients to use the same EBT card used prior to cutover.
486	The Contractor shall transfer existing client PINs.
487	The system shall enable clients to use the same active PIN used prior to cutover.
488	The system shall not reset status or aging data in the conversion files.
489	The Contractor shall work with the current EBT Contractor to determine the file transfer methodology to be used during conversion.
490	The Contractor shall conduct unit testing of files to be transferred during conversion.
491	The Contractor shall conduct full integration and system testing of files to be transferred during conversion.
492	The Contractor shall conduct no less than three (3) rehearsals of the database conversion.
493	The Contractor shall conduct all rehearsals of the database conversion in the same manner and sequence as will be done during cutover.
494	The Contractor shall allow for two (2) weeks between database conversion rehearsals.
495	The Contractor shall participate in Go/No-Go meetings for database conversion with the state.

#	Requirement
496	Immediately following cutover and prior to allowing cardholder or administrative access to the system, the Contractor shall reconcile the new system accounts with the record counts and account balances from the former system to ensure the completeness and accuracy of all information migrated from the former EBT system to the Contractor's EBT system.
497	<p>The Contractor shall generate the following values for use in reconciling system accounts and validating the accuracy of conversion:</p> <ul style="list-style-type: none"> <li>a. Benefit dollars</li> <li>b. Active cases</li> <li>c. Active retailers</li> <li>d. Number of history records transferred</li> <li>e. Active cards</li> <li>f. Pending benefit dollars</li> <li>g. Inactive cases</li> <li>h. Voucher authorization dollar value during cutover</li> <li>i. Benefit dollars added during the month before cutover</li> <li>j. Active cases added during the month before cutover</li> <li>k. Settlement values for the day of cutover</li> </ul>
498	The Contractor shall comply with the file-loading error rate defined by the state for conversion.
499	The Contractor shall notify the state if the number of errors found during file processing exceeds the file-loading error rate.
500	<p>The Contractor shall provide the following conversion management reports to the state within four (4) hours after each rehearsal and two (2) hours after the successful completion of conversion:</p> <ul style="list-style-type: none"> <li>a. Total Cases Transferred – by case type for each county, with state total.</li> <li>b. Total Benefits Balance – by benefit type, by county, with state totals.</li> <li>c. Total Active Cards – transferred by county, with state total.</li> <li>d. Total Demographic Records – transferred by county, with state total.</li> <li>e. Total Benefit Authorization File – dollar amounts by county, by account, with state totals.</li> <li>f. Conversion Exceptions – lists all records that were not correctly transferred to the Contractor's system, the reason for each exception, and the action required for resolution.</li> </ul>

## 6.20 EBT System Security

### 6.20.1 Background

The state expects the Contractor to follow industry and vendor-developed “best practices” when developing and applying security measures addressing information security and physical security.

### 6.20.2 EBT System Security Requirements

#	Requirement
501	The Contractor shall comply with all state policies and laws regarding use of information resources and data.
502	The Contractor shall develop a System Security Plan in accordance with the DID provided by the state.
503	The Contractor shall administer security for California EBT services delivery in accordance with the state-accepted System Security Plan.
504	The Contractor shall, as may be required by law or by changes in the standards governing its System Security Plan, or for the purpose of better risk management, propose modifications to the plan for state approval.
505	The Contractor shall, as the state’s designated agent, inform the state, within one (1) hour of detection, of any and all incidents or exposures of information that may have compromised the secure delivery of California EBT services <del>and what actions the Contractor has taken or will take as a result of each incident.</del>
<a href="#">505.1</a>	<a href="#">The Contractor shall conduct hourly update calls, as directed by the state Project Director, on the status of the information security incident.</a>
<a href="#">505.2</a>	<a href="#">The Contractor shall, as the state’s designated agent, prepare a formal report that describes the incident and action taken within 24 hours of initial notification of an information security incident.</a>
506	The Contractor shall provide signed confidentiality statements from its employees and all subcontractor employees with access to confidential data.
507	The Contractor shall apply security patches and upgrades, and keep virus software up to date on all systems on which data may be stored or used.

508	The Contractor shall prepare and deliver a semi-annual briefing and written summary on the overall California EBT system (including California, commercial, and Contractor components) including, at a minimum: <ol style="list-style-type: none"> <li>The current status of the system.</li> <li>New threats identified in the six (6) months prior to the briefing.</li> <li>New security-related laws, regulations, or standards that must be met by the system.</li> <li>Description of each security incident that occurred during the prior six (6) months and what actions the Contractor has taken as a result of each incident.</li> </ol>
509	The Contractor shall not transmit over any public network unencrypted files or messages containing a cardholder's name in combination with any demographic or account information.
510	The Contractor shall not store any unencrypted files containing a cardholder's name in combination with any demographic or account information on any portable computing device or portable electronic storage media.

## 6.21 State and County EBT Administrative Network

### 6.21.1 Background

The state and counties administrative network refers to the telecommunication infrastructure used to connect the EBT host system to state, eligibility system consortia, and county networks. The state and county EBT administrative network must provide:

- State and county access to EBT host browser-based applications.
- EBT host connectivity to card printers located in state and county offices.
- EBT host connectivity for eligibility system batch and host-to-host interfaces.
- EBT host connection for the SARS interface.

There are currently 33 distinct connection points to the existing EBT host system. This includes eight (8) connection points for the SAWS eligibility system consortia, one (1) connection point for the state project office, and 24 connection points for 23 counties (Los Angeles County has a primary connection and a backup connection). The 35 ISAWS counties use one (1) of the two (2) ISAWS connection points for connectivity to the EBT host system. The state does not anticipate the addition of new county connection points as counties convert from ISAWS to C-IV. Each connection point will include Contractor-owned and maintained telecommunication equipment, redundant telecommunication lines, and a telephone line for remote administration of network equipment.

The Contractor will provide and maintain a state and county EBT administrative network that includes telecommunication lines and Contractor-owned telecommunication equipment at each state, county, and consortia connection point. During transition, the



Contractor will establish the telecommunication infrastructure and network connections necessary to provide connectivity between the EBT host system and state, county, and consortia networks. The Contractor will install telecommunication lines and telecommunication equipment at each connection point, and assist state, county, and consortia network administrators with establishing and testing connectivity to eligibility systems, county offices, and SARS. The state and county EBT administrative network will be fully operational and all county, consortia, and state network changes will be complete prior to cutover.

### 6.21.2 Administrative Network Requirements

#	Requirement
511	On a monthly basis, all services provided via the state and county EBT administrative network shall be available and operational 99.9 percent of the time, excluding scheduled down time.
512	The host system shall be capable of sending and receiving batch files at a rate of 100 kilobytes per minute.
513	The Contractor shall develop a Network Conversion Plan in accordance with the DID provided by the state.
514	The Contractor shall provide and maintain a secure and redundant EBT administrative network infrastructure between the EBT host primary, backup, and test systems, and state, county, and eligibility system networks.
515	The Contractor shall provide and maintain telecommunication equipment to support up to 35 connection points at state, county, and eligibility system consortia locations.
516	The Contractor shall provide all necessary telecommunication lines to support each connection point.
517	The Contractor shall provide technical support to state, county, and eligibility system consortia network administrators to establish and maintain connectivity between EBT host systems (primary, backup, and test) and eligibility systems, state and county offices, and SARS.
518	The Contractor shall complete all network installation, configuration, and testing activities necessary to ensure all required interfaces are operational prior to cutover.
519	The Contractor's administrative network infrastructure shall be sized and configured to ensure compliance with the availability and operational service level for administrative processing.
520	The Contractor's administrative network infrastructure shall provide, at a minimum, 128-bit AES encryption using a 256-bit key size for encryption of all EBT information routed between EBT host data centers and state, county, and eligibility system networks.

## 6.22 Host-to-Host and Batch Interfaces

### 6.22.1 Background

The EBT system interfaces with county eligibility systems in two (2) ways: host-to-host messages and batch files. Host-to-host messages use TCP/IP and are processed in real time as received. Batch files are transferred using FTP.

The host-to-host interface refers to transaction data sent to and processed by the EBT host directly from the eligibility system in an online, real-time environment. Data is processed in a request/response message format with data originating from the actions of a caseworker logged onto the eligibility system.

Host-to-host transactions can be broken out into five (5) categories:

- Inquiries – Case, client, card, and benefit and account history.
- Demographic maintenance – Addition and modification of cardholder data.
- Benefit maintenance – Addition or cancellation of benefits.
- Card maintenance – Issuance and re-issuance of an EBT card and changing card status.
- Miscellaneous updates – Includes benefit repayments and unlocking of PINs.

Table 6.1, Host-to-Host Message Volume, presents the average and peak hourly volumes for four (4) message types. The data is based on a current total of approximately 880,000 cases.

**TABLE 6.1, HOST-TO-HOST MESSAGE VOLUME**

<b>Message Type</b>	<b>Average</b>	<b>Peak</b>
Card printing	1,000	5,000
Cardholder update	5,000	10,000
Benefit issuance	500	10,000
Inquiries	10,000	20,000

Host-to-host messages typically arrive at the EBT host between 8:00 a.m. and 5:00 p.m. Pacific Time, Monday through Friday. However, the host-to-host interface must be operational continuously except during scheduled outages.

The batch interface refers to the exchange of batch files between the eligibility system and the EBT host. Each batch file contains multiple records. There are three (3) types of batch files: demographic, benefit, and end-of-day. Demographic and benefit batch files contain requests to perform actions and transactions and are sent by the eligibility system to an FTP server on the EBT host. Once processing of a demographic or benefit batch file is complete, the EBT host sends a return file to an FTP server on the eligibility

system. End-of-day files contain daily activity and status information for each county and are sent by the EBT host to an FTP server on the eligibility system. End-of day files for each county are sent following the end of each settlement day.

Eligibility systems usually send batch files once or twice a day. Eligibility systems send separate daily demographic, daily food stamp benefit, and daily cash benefit (cash counties only) files for each county on the eligibility system. Eligibility systems also send a monthly food stamp benefit and monthly cash benefit (cash counties only) file early in the fourth week of each month. Some eligibility systems also send additional monthly benefit files at the end of the month.

Table 6.2, Daily Batch File Records, presents the approximate average and peak daily record counts for each file type. The data is based on a current aggregate California EBT caseload of approximately 880,000 cases. Peak values include records from monthly food stamp and cash benefit files.

**TABLE 6.2, DAILY BATCH FILE RECORDS**

<b>File Type</b>	<b>Average</b>	<b>Peak</b>
Daily demographic files	9,000	17,000
Daily food stamp benefit files	14,500	655,000
Daily cash benefit files	6,000	440,000

Every year, the eligibility systems provide batch transmission schedules. Throughout the year, each eligibility system may provide updates to its transmission schedule. If there is no activity on a given day, the eligibility system will still send batch files with no detail records according to its transmission schedule. The Contractor will monitor batch files received from the eligibility systems. If an eligibility system fails to send a batch file as scheduled, the Contractor will contact the appropriate eligibility system personnel.

Each day, the EBT host transmits end-of-day files for each county to their respective eligibility systems. If the EBT host cannot successfully establish a connection to send end-of-day files, the Contractor will contact the appropriate eligibility system personnel.

The Contractor's implementation of the host-to-host and batch interfaces must match in every functional, technical, and operational detail of the interface specifications provided in this RFP. The goal is to ensure all required functionality is provided in the Contractor's EBT system, and there will be no change to interfaces and processes in county eligibility systems.

### **6.22.2 Host-to-Host and Batch Interface Requirements**

<b>#</b>	<b>Requirement</b>
521	The Contractor shall develop an Interface Document in accordance with the DID provided by the state.

#	Requirement
522	The Contractor shall complete transmission of all scheduled end-of-day files to each eligibility system by <u>11:00</u> <del>9:00</del> p.m. Pacific Time on the settlement day.
523	The system shall receive and process EBT host-to-host messages in accordance with the specifications provided in Appendix C.
524	The system shall receive and process demographic and benefit batch files in accordance with the specifications provided in Appendix C.
525	The system shall not reject benefit grants, received through the batch interface from eligibility systems, that do not have existing SUIDs.
526	The system shall transmit end-of-day account activity files, inactive/dormant/expungeable files, grant expungement files, unlinked benefits files, and correction request activity files for each county to the appropriate eligibility system daily in accordance with the specifications provided in Appendix C.
527	The system shall post all accepted host-to-host messages received through the host-to-host interface within two (2) seconds.
528	The system shall reply to all host-to-host messages received at the EBT host within three (3) seconds, with the exception of local card printing requests.
529	The system shall reply to all host-to-host local card printing requests within 30 seconds.
530	The system shall begin transmitting demographic and benefit batch return files to the eligibility system within one (1) minute after completion of batch files processing.
531	The Contractor shall monitor the receipt and transmission of batch files.
532	The Contractor shall notify the eligibility system point of contact after one (1) hour when the eligibility system fails to transmit a batch file according to the schedule provided by the eligibility system.
533	The Contractor shall notify the eligibility system point of contact if transmission of demographic return, benefit return, or end-of-day batch files cannot be completed.
534	The system shall be capable of processing a minimum of <u>500</u> <del>20,000</del> demographic batch file records per minute.
535	The system shall be capable of processing a minimum of 1,500 benefit batch file records per minute.

## 6.23 SARS Interface

### 6.23.1 Background

The SARS is used to reconcile all EBT benefits issued and redeemed. The system captures the statewide food stamp settlement total and settlement data for each cash EBT county. SARS was originally created to meet the federal requirement for state-level and county-level daily reconciliation. The role of SARS has expanded to include a repository of EBT reports and batch files that are used to create a large number of

standardized and custom reports. SARS data and tools are also used by state and county staff to research discrepancies between EBT system and eligibility system data.

The EBT system will transmit the following files to the SARS FTP server:

- Copies of benefit files received from each eligibility system.
- Copies of benefit return files sent to each eligibility system.
- End-of-day batch files for each county.
- Other periodic batch files.
- Formatted text and data files for EBT reports.

The SARS FTP server currently receives over 130 EBT reports and batch files from the current EBT Contractor. SARS does not currently transmit files to the EBT system and does not currently utilize the host-to-host interface.

### 6.23.2 SARS Interface Requirements

#	Requirement
536	The system shall complete transmission of end-of-day files to SARS by <del>11:00 9:00</del> p.m. Pacific Time on the settlement day.
537	The system shall complete transmission of formatted text and data files for all daily EBT reports to SARS by <del>11:00 9:00</del> p.m. Pacific Time on the settlement day.
538	The system shall transmit batch files to SARS in accordance with the specifications provided in Appendix C.
539	The system shall begin transmitting copies of benefit batch files to SARS no later than one (1) minute after completion of batch file processing.
540	The system shall begin transmitting copies of benefit batch return files to SARS within one (1) minute after completion of batch file processing.
541	The system shall complete transmission of other periodic batch files within five (5) <u>business</u> days after the last day of the batch file period.
542	The system shall complete transmission of formatted text and data files for weekly, monthly, and quarterly EBT reports within five (5) <u>business</u> days after the last day of the reporting period.

## 6.24 System Testing

### 6.24.1 Background

The purpose of testing is to ensure each component and interface between components, and the system as a whole, functions as designed. The EBT system will be tested in stages to ensure the number of variables is kept to a minimum in both the application and test environment for each stage of testing. Testing starts with the

evaluation of the simplest element, and progresses to testing of the full system in the production-equivalent environment. The types of testing to be conducted include:

- Unit Testing – Testing of small groups of modules that are functionally related.
- Interface Testing – Testing of each EBT system interface.
- Integration Testing – Testing of major functional areas and workflows using basic business cases.
- User Acceptance Testing – State-conducted testing of all business workflows.
- Federal Acceptance Testing – Federal-conducted system testing prior to conversion.
- Eligibility System Certification Testing – Testing of the interface between the EBT system and each eligibility system.

Problems encountered during testing will be tracked as deficiencies. Refer to Section 6.35, Deficiency Management, for more information on this process.

Prior to initiation of [user and federal acceptance](#) testing activities, the Contractor will conduct a functional demonstration of planned system functionality.

#### 6.24.2 General Testing Requirements

#	Requirement
543	The Contractor shall develop a Master Test Plan in accordance with the DID provided by the state.
544	The Contractor shall maintain separate test and production systems.
545	The Contractor shall permit exclusive state access to the test environment during business hours for a minimum of four (4) hours per week.
546	<a href="#">Prior to initiation of user and federal acceptance testing activities, the</a> <del>The</del> Contractor shall conduct a functional demonstration of the EBT system after integration of functionality added as a result of joint application design sessions.
547	The Contractor shall conduct unit testing of EBT system components.
548	The Contractor shall provide test results for each test script within fifteen (15) days following completion of each test script.
549	The Contractor shall complete all system testing activities prior to cutover.
550	The Contractor shall comply with applicable testing and certification requirements in Section 6.24, System Testing, for all additional interfaces, system modifications, and system enhancements that are implemented as a result of a work authorization or deficiency during the contract period.

**6.24.3 Interface Testing Requirements**

#	Requirement
551	The Contractor shall conduct interface testing of all interfaces.
552	The Contractor shall provide an Interface Test Plan in accordance with the DID provided by the state.
553	The Contractor shall develop Test Scripts for interface testing in accordance with the DID provided by the state.
554	The Contractor shall review Interface Test Plan details with the state and receive state approval to proceed prior to conducting the planned initial testing for each interface.
555	The Contractor's testing of each interface shall confirm all of the requirements for that interface have been met.

**6.24.4 Integration Testing Requirements**

#	Requirement
556	The Contractor shall conduct integration testing of the EBT system.
557	The Contractor shall provide an Integration Test Plan in accordance with the DID provided by the state.
558	The Contractor shall develop Test Scripts for integration testing in accordance with the DID provided by the state.
559	The Contractor shall review the Integration Test Plan details with the state and receive state approval to proceed prior to conducting the planned testing.
560	The Contractor shall conduct integration testing in a test environment that simulates the production environment with scripted data and business scenario inputs and interfaces.

**6.24.5 User Acceptance Testing Requirements**

#	Requirement
561	The Contractor shall participate in state-conducted, end-to-end User Acceptance Testing on the EBT system.
562	The Contractor shall provide a User Acceptance Test Plan in accordance with the DID provided by the state.
563	The Contractor shall successfully complete interface and integration testing prior to initiating user acceptance testing.
564	The User Acceptance Testing shall be conducted at the EBT Project Office in Sacramento, California.

#	Requirement
565	The Contractor shall provide documentation of the results of User Acceptance Testing to the state.
566	The Contractor shall participate in testing debriefs with the state after User Acceptance Testing.

#### 6.24.6 Federal Acceptance Testing Requirements

#	Requirement
567	The Contractor shall participate in a federal acceptance test prior to conversion.
568	The Contractor shall submit a federal acceptance test plan 60 days prior to the initiation of federal acceptance testing.
569	The Contractor shall submit federal acceptance Test Scripts 30 days prior to the initiation of federal acceptance testing.
570	The Contractor shall participate in testing debriefs with the state and federal representatives after federal acceptance testing.

#### 6.24.7 Eligibility System Certification Testing Requirements

#	Requirement
571	The Contractor shall develop eligibility system-specific Test Scripts for eligibility system certification in accordance with the DID provided by the state.
572	The Contractor shall review the eligibility system certification testing details with the state and receive state approval to proceed prior to conducting the planned initial testing for each interface.
573	The Contractor shall conduct eligibility system interface certification testing in accordance with the state-accepted Interface Test Plan.
574	The Contractor shall complete a Certificate of Compliance for each interface after all testing of that interface is successfully completed.
575	The Contractor shall test and certify ready for use the host-to-host interface with each county eligibility system.
576	The Contractor shall test and certify ready for use the batch interface with each county eligibility system.

### 6.25 EBT Switch

#### 6.25.1 Background

The EBT switch provides the intrastate and interstate routing of EBT transactions to and from the Contractor's EBT host system. The EBT switch also provides routing of transactions to and from an acquirer to other EBT authorizers. It provides the connection to TPPs, electronic funds transfer networks, and, as an option, major



retailers who handle their own POS processing. The EBT switch performs all settlement and also returns reconciliation files to the retailers, TPP providers, and networks.

### 6.25.2 EBT Switch Requirements

#	Requirement
577	The Contractor shall secure an agreement with a network (EBT switch) for the routing of EBT transactions between acquirers and the EBT host system.
578	The Contractor's EBT switch services shall include electronic intrastate and interstate routing of California EBT transactions between acquirers of those transactions and the Contractor's California EBT host system.
579	The Contractor's EBT switch shall comply with all applicable Quest <sup>®</sup> Operating Rules.

## 6.26 Capacity Planning

### 6.26.1 Background

California is determined to ensure its clients and users have the best possible EBT "experience." As part of this effort, the EBT system must be both adequately sized to run California's EBT transactions and properly tuned to enhance transaction processing efficiency. The following requirements address EBT system capacity planning and management.

### 6.26.2 Capacity Planning Requirements

#	Requirement
580	The Contractor shall develop a System Capacity Management Plan in accordance with the DID provided by the state.
581	The Contractor shall manage EBT system capacity and performance as described in the System Capacity Management Plan.
582	<p><a href="#">Requirement deleted.</a></p> <p><del>The Contractor shall report system capacity and performance data on a weekly basis and include, at a minimum, the following:</del></p> <ul style="list-style-type: none"> <li><del>a. Average Central Processing Unit utilization (by hour, by day, by week).</del></li> <li><del>b. Average memory usage (by hour, by day, by week) including free memory (physical and virtual), used memory (physical and virtual), page fault rate, and hard page fault rate.</del></li> <li><del>c. Average Input/Output rate (by hour, by day, by week) for disk controller(s) and network.</del></li> </ul>

## 6.27 EBT-Only POS Devices

### 6.27.1 Background

Most California retailers process EBT transactions through a TPP or their own POS devices. FNS-authorized retailers who do not have or do not use their own POS devices are eligible to receive EBT-only POS devices that enable them to conduct both food stamp and cash EBT transactions. EBT-only POS devices may also be deployed to cash locations such as housing authorities, group homes, etc.

The state currently owns all EBT-only devices used to support California's EBT program. Approximately 12,000 EBT-only POS devices have been deployed to retailers in locations throughout the state, and there are approximately 1,300 additional terminals that are used to replace inoperable terminals or to be deployed, as required.

The state intends to move away from ownership of the EBT-only POS devices during the next contract period. The state will make available its existing EBT-only POS device inventory for the Contractor's use; however, as POS devices fail or are lost and the state-owned inventory is reduced, the state expects the Contractor to purchase, maintain, and own any new POS equipment. Therefore, throughout the term of the contract, there may be two (2) groups of EBT-only POS devices: one (1) group owned by the state and another owned by the Contractor.

The Contractor will be expected to provide and load each EBT-only POS device with its POS software. On an ongoing basis, the Contractor is expected to provide transaction acquiring and support services to retailers with EBT-only POS devices, as well as install and maintain the EBT-only POS devices.

The EBT-only POS models currently deployed are the VeriFone Omni 3200 with PINpad 1000 and the Omni 3200SE with PINpad 1000SE. Approximately 90 percent of the POS devices in use are the Omni 3200. The current EBT-only POS device profile load is proprietary to the current EBT Contractor.

### 6.27.2 EBT-Only POS Equipment Requirements

#	Requirement
583	The Contractor shall develop and maintain an EBT-only POS device profile load that will enable every California EBT-only POS device to interface with the EBT host system.
584	The EBT-only POS device profile load shall <u>enable compliance</u> <del>be compliant</del> with ISO 8583 and the Quest® Operating Rules.
585	The Contractor shall install the EBT-only POS device profile load in every EBT-only POS device within California prior to the completion of transition.

#	Requirement
586	The EBT-only POS device profile load shall meet the operational requirements of the California EBT system and support the full EBT POS transaction set, including cash transactions.
587	The EBT-only POS device profile load shall have a “print last receipt” function.
588	The EBT-only POS device profile load shall provide for visual verification of the transaction message before positive action is taken by the cardholder to release the message for authorization and settlement.
589	When the Contractor purchases POS devices, the selected POS device shall accommodate both single lane and multi-lane stores.
590	The Contractor shall own all POS devices it purchases during the contract period.
591	The Contractor shall notify the state on a monthly basis when purchasing new Contractor-owned EBT-only POS devices.
592	The Contractor shall provide secure and environmentally appropriate storage of all state-owned spare EBT-only POS devices in accordance with manufacturer specifications.
593	The Contractor shall repair or replace an inoperable EBT-only POS device within 48 hours of initial notification of the EBT-only POS device failure.
594	The Contractor shall be responsible for maintenance of all state-owned and Contractor-owned EBT-only POS devices.
595	Each EBT-only POS device installed at retailer locations shall have a unique terminal identification number that can be used to link transactions to specific locations.
596	The Contractor shall maintain a record, for state review of EBT-only POS device failure, service, and replacement history throughout the term of the contract.
597	The Contractor shall be responsible for managing the inventory of all state-owned EBT-only POS devices.
598	For those retailers who meet state qualifications, the Contractor shall pay or reimburse qualified retailers for EBT-dedicated telephone lines that provide access from the EBT-only POS devices to the EBT system.
599	<u>For FNS-authorized retailers that request EBT-only POS devices, the Contractor shall deploy EBT-only POS devices.</u> <del>The Contractor shall deploy EBT-only POS devices to retailers who are eligible to receive such devices in accordance with FNS rules.</del>
600	The Contractor shall provide a user manual when deploying an EBT-only POS device to a retailer.
601	In an effort to avoid disruptions during peak business times, the Contractor shall make appointments with retailers to install POS devices and/or software.

#	Requirement
602	The Contractor shall deactivate EBT-only POS devices for retailers whose redemption rate has fallen below acceptable redemption levels, as directed by the state.
603	The Contractor shall deactivate EBT-only POS devices for retailers that have been disqualified or withdrawn within two (2) business days of receipt of the information from the FNS REDE file.
604	The Contractor shall make a good-faith effort to recover deactivated EBT-only POS devices from retailers within seven (7) days of EBT-only POS device deactivation.
605	<u>Requirement deleted.</u> <del>The Contractor shall describe service activities and provide a schedule for preventive maintenance of EBT-only POS devices in accordance with the Administrative Equipment Preventive Maintenance Schedule DID provided by the state.</del>

## 6.28 Wireless POS Devices

### 6.28.1 Background

California utilizes wireless POS devices to support client access to food stamp benefits at farmers' markets and other retailers.

The state currently owns approximately 34 Omni 3600 wireless devices and several VeriFone V\*610 wireless devices that are deployed to retailers throughout the state (primarily farmers' markets). The state continues to purchase wireless devices, as needed, for deployment to additional retailers. Appendix J provides a listing of locations where wireless devices are used.

The state intends to move away from ownership of wireless POS devices during the next contract period. The state will make available its existing wireless POS device inventory for the Contractor's use; however, as wireless devices fail or are lost and the state-owned inventory is reduced, the state expects the Contractor to purchase, maintain, and own any new wireless POS equipment. Therefore, throughout the term of the contract, there may be two (2) groups of wireless POS devices: one (1) group owned by the state and another owned by the Contractor.

The Contractor will be expected to load each wireless POS device with its POS software. On an ongoing basis, the Contractor is expected to provide transaction acquiring and support services to retailers using these wireless POS devices as well as installation and maintenance of the wireless POS devices. The current wireless POS device load is proprietary to the current EBT Contractor.

**6.28.2 EBT-Only Wireless POS Equipment Requirements**

#	Requirement
606	The Contractor shall develop and maintain a wireless POS device profile load that will enable every California EBT wireless POS device to interface with the EBT host system.
607	The Contractor shall deploy wireless POS devices to retailers as directed by the state.
608	The Contractor shall install the wireless POS device profile load in every wireless POS device deployed to retailers, prior to the completion of transition.
609	The Contractor shall provide a user manual when deploying a wireless POS device.
610	The wireless POS devices shall not transmit the cardholder's account number and PIN unless the transmission is encrypted.
611	The Contractor shall receive state approval for use of wireless devices other than the Omni 3600 and the VeriFone V <sup>x</sup> 610.
612	The wireless POS device profile load shall be compliant with ISO 8583 and the Quest <sup>®</sup> Operating Rules.
613	The wireless POS device profile load shall meet the operational requirements of the California EBT system and support the full EBT POS transaction set, with the exception of the store-and-forward transaction.
614	The Contractor shall notify the state on a monthly basis when purchasing new Contractor-owned wireless POS devices.
615	The Contractor shall own all wireless POS devices it purchases during the contract period.
616	The Contractor shall provide secure and environmentally appropriate storage of all state-owned spare wireless POS devices in accordance with manufacturer specifications.
617	The Contractor shall be responsible for maintenance of all state-owned and Contractor-owned wireless POS devices.
618	The Contractor shall be responsible for managing the inventory of all state-owned wireless POS devices.
619	The Contractor shall maintain a record, for state review, of wireless POS device failure, service, and replacement history throughout the term of the contract.
620	The Contractor shall repair or replace an inoperable wireless POS device within 48 hours of initial notification of the wireless POS device failure.
621	Upon request from the state, the Contractor shall deactivate a retailer's wireless POS device.

#	Requirement
622	The Contractor shall deactivate wireless POS devices for retailers that have been deauthorized or withdrawn within two (2) business days of receipt of the information from the FNS REDE file.
623	The Contractor shall make a good-faith effort to recover deactivated wireless POS devices from retailers within seven (7) days of wireless POS device deactivation.
624	<a href="#">Requirement deleted.</a> <del>The Contractor shall describe service activities and provide a schedule for preventive maintenance of wireless POS devices in accordance with the Administrative Equipment Preventive Maintenance Schedule DID provided by the state.</del>

## 6.29 Balance Inquiry-Only POS Devices

### 6.29.1 Background

California uses Balance Inquiry-Only (BIO) POS devices to support client-initiated balance inquiry transactions at county offices. No other transactions are available at these terminals.

The state owns all BIO POS devices currently used to support county operations and intends to continue using these terminals. Approximately 110 BIO POS devices have been deployed to county offices.

The POS devices used for balance inquiry are the same as those deployed to EBT-only retailers with the exception of the BIO POS device load, which permits only balance inquiry transactions.

The state intends to move away from ownership of the BIO POS devices during the next contract period. The state will make available its existing BIO POS device inventory for the Contractor's use; however, as BIO POS devices fail or are lost and the state-owned inventory is reduced, the state expects the Contractor to purchase, maintain, and own any new BIO POS equipment. Therefore, throughout the term of the contract, there may be two (2) groups of BIO POS devices: one (1) group owned by the state and another owned by the Contractor.

The Contractor will be expected to load each BIO POS device with its BIO POS software. On an ongoing basis, the Contractor is expected to provide balance inquiry transaction processing services to the BIO POS devices as well as installation and maintenance of the BIO POS devices. The BIO POS device profile load is proprietary to the current EBT Contractor.

**6.29.2 BIO POS Device Requirements**

#	Requirement
625	The system shall support the use of BIO POS devices in county offices.
626	The Contractor shall develop and maintain a BIO POS device load that will enable every BIO POS device to interface with the EBT system.
627	The Contractor shall provide and assume responsibility for telecommunication connectivity between its EBT system and all BIO POS devices located in county offices.
628	The Contractor shall install the balance inquiry load in every BIO POS device installed at a state or county location within California prior to cutover.
629	The Contractor shall own all BIO POS devices it purchases during the contract period.
630	The Contractor shall notify the state when purchasing new Contractor-owned BIO POS devices.
631	The Contractor shall provide secure and environmentally appropriate storage of all state-owned spare BIO POS devices in accordance with manufacturer specifications.
632	The Contractor shall be responsible for maintenance of all state-owned and Contractor-owned BIO POS devices.
633	The Contractor shall describe service activities and provide a schedule for preventive maintenance of BIO POS devices in accordance with the Administrative Equipment Preventive Maintenance Schedule DID provided by the state.
634	The Contractor shall be responsible for managing the inventory of all state-owned BIO POS devices.
635	Each BIO POS device installed at state and county locations shall have a unique terminal identification number that can be used to link transactions to specific locations.
636	The Contractor shall maintain a record, for state review, of BIO POS device failure, service, and replacement history throughout the term of the contract.
637	The Contractor shall test and certify ready for use the BIO POS interface in each county prior to cutover.
638	The Contractor shall repair and replace an inoperable BIO POS device in a county office within <u>two (2) business days</u> <del>32 hours</del> of initial notification of a BIO POS device failure.

## 6.30 Business Continuity

### 6.30.1 Background

All systems and services that comprise California's EBT program are required to be available continuously to cardholders and state and county users. Therefore, the Contractor will be required to develop, maintain, and execute a Continuity of Business Plan.

### 6.30.2 Business Continuity Requirements

#	Requirement
639	The Contractor shall develop a Continuity of Business Plan in accordance with the DID provided by the state.
640	The Contractor shall identify changes to the EBT system that would affect the processes and activities presented in the state-accepted Continuity of Business Plan 90 days prior to implementation of the system changes.
641	The Contractor shall test the processes and activities presented in the Continuity of Business Plan at least annually.
642	The Contractor shall provide notification of and receive approval for its business continuity testing 30 days prior to initiating testing.
643	The Contractor shall provide the state a written summary assessment of its annual business continuity testing within 30 days following each test.

## 6.31 EBT Disaster Services

### 6.31.1 Background

Disaster services encompass the following:

- Execution of disaster services by the state.
- Implementation of ARU/Call Center disaster services.
- Setup and distribution of disaster services administrative application user accounts.
- Enabling administrative application disaster services functionality.
- Management and distribution of EBT cardstock and EBT pre-printed disaster cards (with PINs).
- Early release of benefits.

In the event of a disaster in California, the state will notify the Contractor in writing or by telephone that it should implement California's Disaster Services Plan.



Upon official notification from the state, the Contractor will modify the introductory greeting on the ARU for the client and retailer helplines to state-approved messages providing information and instructions for obtaining assistance with EBT cards. The Contractor will also provide additional guidance to CSRs for answering disaster-related questions.

The Contractor will enable the disaster features of the administrative application, including the ability to issue pre-printed EBT disaster cards. The Contractor will provide the state with administrative application security administrator identifiers for the disaster security group that will allow designated state users to set up and administer administrative application disaster user identifiers. Upon state notification, the Contractor will create disaster user identifiers in the event state staff are unable to access the administrative application. The state will distribute disaster identifiers to county users at disaster card issuance locations. Counties may also issue pre-printed disaster cards and disaster benefits using the eligibility system through the host-to-host and/or batch interfaces.

The state will require the Contractor to maintain a minimum inventory of 500,000 reserve blank EBT cards and 400,000 pre-printed EBT disaster cards. The 500,000 blank cards are the same type of cards as would be used for regular mailed and locally printed card issuance. The pre-printed disaster cards have a card number and an encoded magnetic stripe and are packaged in a sealed envelope with a pre-selected PIN. In the event of a disaster, the Contractor will be required to distribute either or both types of cards to location(s) identified by the state. The Contractor will be responsible for periodic (at a minimum semi-annually) testing of cards that are in storage, and for periodically refreshing the inventory of reserve blank EBT cards and pre-printed EBT disaster cards.

The reserve blank EBT cards and pre-printed EBT disaster cards must be stored at two (2) geographically separate locations approved by the state. Locations should be chosen based on the ease of delivery of cards to disaster issuance locations within California. Storage locations should also not be located in known flood plains, earthquake zones, or other high-risk locations.

Both new and existing clients may become eligible for federal and state disaster-related food stamp benefits. New clients will receive disaster food stamp benefits via a locally printed or pre-printed card depending on the circumstances. Existing clients eligible for disaster food stamp benefits would have disaster benefits posted to their existing accounts and will be able to use their existing EBT card. Pre-printed cards could also be issued to cardholders as replacement cards in the event that the cardholder's EBT card was lost, stolen, or damaged.

In the event of a pending disaster or immediately following a disaster, the state may request early release of monthly benefits. The system must have the ability to override the ten (10) day food stamp issuance stagger and issue all food stamp benefits for a county or counties on a pre-determined date specified by the state.

The Contractor is expected to support an annual disaster exercise conducted by the state that will include issuance of disaster cards and disaster benefits. Contractor support of this exercise will include enabling administrative application disaster features and delivery of pre-printed EBT disaster cards.

### 6.31.2 EBT Disaster Services Requirements

#	Requirement
644	<a href="#">Requirement deleted.</a> <del>The Contractor shall develop a Continuity of Business Plan in accordance with the DID provided by the state.</del>
645	The Contractor shall develop a Disaster Services Plan in accordance with the DID provided by the state.
646	The Contractor shall implement the services defined in its Disaster Services Plan upon official notification from the state.
647	Upon request from the state, the Contractor shall add state-approved disaster messages to the client and/or retailer ARU initial greeting.
648	The state-approved disaster messages shall be provided in both English and Spanish.
649	If a pre-approved message is used, the Contractor shall enable the disaster message within two (2) hours upon official notification from the state.
650	If a custom, state-approved message is used for a specific disaster, the Contractor shall enable the disaster message within 24 hours upon official notification from the state.
651	The Contractor shall provide CSRs with disaster-specific information, provided by the state, to be given to cardholders and retailers in response to inquiries about disaster services and benefits.
652	Upon request from the state, the Contractor shall enable disaster-specific administrative application functions that are normally disabled.
653	Upon request from the state, the Contractor shall set up disaster user identifiers.
654	The Contractor shall have the ability to set up a minimum of 200 disaster user identifiers per day.
655	Each pre-printed EBT disaster card shall have a disaster card number.
656	The system shall prevent use of disaster card numbers for issuance of cards other than pre-printed EBT disaster cards.

#	Requirement
657	The system shall prevent use of disaster card numbers that were created prior to completion of transition as specified in a list of card numbers provided by the state.
658	The system shall generate a PIN for each disaster card number prior to physical creation of the pre-printed EBT disaster card.
659	If a pre-printed EBT disaster card is issued as the initial card for a new cardholder, a system-generated PIN shall be assigned to the cardholder.
660	If a pre-printed EBT disaster card is issued as a replacement card for an existing cardholder, the system shall carry over the cardholder's previous PIN to the pre-printed EBT disaster card.
661	Pre-printed EBT disaster cards shall be printed on the same EBT cardstock used for mailed and locally printed EBT cards.
662	Each pre-printed EBT disaster card shall be inserted into a disaster card carrier and packaged in a sealed envelope with a disaster card carrier.
663	The system-generated PIN assigned to the disaster card number shall be printed on the disaster card carrier.
664	The envelope and disaster card carrier shall be designed such that the card number can be determined without opening the sealed envelope.
665	The Contractor shall produce the pre-printed EBT disaster card and disaster card carrier in accordance with the artwork and layout specified in the Reprocurement Card Design Document.
666	The Contractor shall maintain a minimum inventory of 400,000 pre-printed EBT disaster cards.
667	The Contractor shall maintain a minimum inventory of 500,000 reserve blank EBT cards for use in the event of a disaster.
668	The Contractor shall maintain an inventory of three (3) percent of all administrative equipment items that could be mobilized for use in the event of a disaster.
669	The Contractor shall refresh and replace the inventory of pre-printed EBT disaster and reserve blank EBT cards once every five (5) years.
670	The pre-printed EBT disaster cards and reserve blank EBT cards shall be stored in two (2) separate, secured locations approved by the state that are at least 200 miles apart.

#	Requirement
671	The Contractor shall store half of the reserve blank EBT cards and pre-printed EBT disaster cards at each of the two (2) state-approved secure locations.
<a href="#">671.1</a>	<a href="#">The pre-printed EBT disaster cards and reserve blank EBT cards shall be in boxed storage with security tape around each box.</a>
<a href="#">672.2</a>	<a href="#">The Contractor shall prepare and include instructions in each box on disaster contact information and the use of pre-printed EBT disaster and reserve blank EBT cards.</a>
672	The Contractor shall deploy pre-printed EBT disaster cards and reserve blank EBT cards to the storage locations prior to completion of transition.
673	The Contractor shall maintain an inventory, by card number, of pre-printed EBT disaster cards at each storage location.
674	The Contractor shall perform a scheduled semi-annual test of a random sample of 250 pre-printed EBT disaster cards and 250 reserve blank EBT cards at each location.
675	If more than two (2) cards from any sample fail, the Contractor shall perform another test on a random sample of 250 cards of the same type at the same location.
676	If the more than two (2) cards from the second sample fail, all cards of that type at that location shall be replaced.
677	The Contractor shall provide the state with written certification of results of its semi-annual testing of pre-printed EBT disaster cards and reserve blank EBT cards.
678	The Contractor shall ship blank EBT cards and/or pre-printed EBT disaster cards to locations specified by the state within <a href="#">twelve (12)</a> <del>eight (8)</del> hours of notification, <a href="#">seven (7) days a week</a> , <del>from the state</del> .
679	At the state's request, the Contractor shall ship blank EBT cardstock and/or pre-printed EBT disaster cards to a location (or locations) using an overnight delivery service.
680	The Contractor shall replenish inventory levels of blank EBT cardstock and/or pre-printed EBT disaster cards that have fallen below the minimum level due to state-directed disbursement, within six (6) weeks.
681	The system shall have the ability to release a future-dated benefit on a specific date prior to the availability date.
682	The system shall have the ability to release all future-dated benefits for a specific benefit type in a specific county.

#	Requirement
683	Upon request from the state, the Contractor shall release future-dated benefits as specified in the state's request.
684	The Contractor shall participate in annual disaster exercises with the state.
685	At a minimum, the Contractor shall support the state's disaster exercises by enabling administrative application disaster services functions and delivering pre-printed EBT disaster cards to locations specified by the state.
686	Upon notice from the state of a disaster, the Contractor shall have the authority to issue EBT disaster cards without a hologram until the Contractor receives notice from the state that the disaster designation is no longer in effect.
687	The Contractor shall have the ability to produce a minimum of 30,000 pre-printed disaster cards per day.

## 6.32 End-of-Contract Changeover

### 6.32.1 Background

In the event of a change in contractors at the end of the contract period, California will conduct a full changeover from the Contractor to a successor contractor. Changeover activities to be conducted by the Contractor include, but are not limited to:

- Participation in workplan development.
- Assisting in retailer conversion (providing retailer files, retailer notification, etc.).
- Equipment transfer of any remaining state-owned equipment.
- Equipment change-out for Contractor-owned equipment.
- Data cleansing of host system data.
- Testing of files and data records to be transferred from the Contractor to the successor contractor.
- ARU/Call Center transition planning.
- Database conversion planning, testing, rehearsals, and execution.
- System and process documentation.
- Cardstock and hologram transfer, including disaster cards.

To prepare for changeover, the Contractor will be required to develop and maintain an End-of-Contractor Changeover Plan. The plan will need to describe all activities to successfully change to the successor contractor, sequencing of those activities, the parties responsible for performing the activities, and a contingency plan, if any or all of the changeover activities are delayed.

The state will execute a work authorization for the Contractor to execute end-of-contract changeover services.

### 6.32.2 End-of-Contract Changeover Requirements

#	Requirement
688	The Contractor shall develop an End-of-Contract Changeover Plan in accordance with the DID provided by the state.
689	The Contractor shall cooperate with and assist the state and the successor contractor in changeover planning, preparation, testing, implementation, and database conversion.

## 6.33 Reports

### 6.33.1 Background

Both the state and counties rely on a large number of reports to manage the EBT program. These reports relate to client EBT activity, transactions, customer service, cash access, retailers, and system performance. All reports must be provided electronically and must be available online. Where applicable, reports must present information by account type, county office, county, and at a state level.

The Contractor must make specific reports identified by the state available online in Adobe® Reader® and text formats. The reports application may be integrated with the administrative application or it may be a separate application. The application used to access reports online must be able to filter reports with county-specific data, by county, and must limit access to the reports to users within the county. Users designated by the state must be able to access both county-specific and statewide reports that contain data for all counties.

The system must transmit all reports as formatted text files and data files to SARS. The reports transmitted to SARS must be statewide reports that contain data for all counties. Formatted text files must use a common format for all reports to facilitate parsing and filtering of the reports by SARS. Data files must be in fixed length, comma separated values (CSV), or extensible markup language (XML) format that allows the data to be easily imported into a database or spreadsheet.

Currently, a complete listing of transactions for a specific cardholder account is provided through an archive request. If requested by the county, an archive request must include an affidavit signed by a company official certifying the authenticity of the information. On average, 80 archive requests are processed each month, about 20 of which require an affidavit.

Archive reports are ad hoc. In 2006, the current Contractor received 539 requests for archive reports. The Contractor will produce archive reports within ~~four (4) two (2)~~ business days after receiving a transaction history report request. Upon request, the

transaction history must include an affidavit with the transaction history, signed by a company official certifying the authenticity of the information. The state is interested in archive functionality that is integrated with other systems such as the administrative application, reports application, or deficiency application.

### 6.33.2 General Reporting Requirements

#	Requirement
690	The Contractor shall provide a Reports Catalog in accordance with the DID provided by the state.
691	The Contractor shall provide and maintain a browser-based reports application that allows users to view and download reports.
692	Reports identified by the state during transition shall be made available using the reports application.
693	The reports application shall allow users to view reports in text format or Adobe® Reader® format.
694	The reports application shall allow users to download reports in text format or Adobe® Reader® format.
695	The reports application shall be able to provide a statewide version of each report that contains all report data.
696	The reports application shall be able to provide a county version of each report containing county-level data for a single county selected by the user.
697	The reports application shall limit county user access to reports containing data for his/her county.
698	The reports application shall allow access to daily reports for at least ten (10) days after the report is produced.
699	The reports application shall allow access to weekly, monthly, and quarterly reports for at least three (3) months.
700	The system shall transmit formatted text files for statewide versions of all reports to SARS.
701	The system shall transmit ASCII data files for statewide versions of all reports to SARS.
702	Formatted text files shall use the standard format, provided in Appendix K, which prescribes a common header, footer, title page, report content, and placement of summary data (state, county, and county office totals) for all reports.

#	Requirement
703	ASCII data files shall use a fixed length, CSV, or XML format such that the value of each data element is distinct.
704	Carriage returns in text files shall conform to Microsoft Disk Operating System standards.
705	Daily reports shall be available in the reports application by 5:00 a.m. Pacific Time the day after the report date.
706	Weekly, monthly, and quarterly reports shall be available in the reports application within five (5) business days after the last day of the reporting period.

### 6.33.3 Daily Reporting Requirements

#	Requirement	
707	Daily Deficiency Report	The Contractor shall prepare a daily report capturing all new and modified deficiencies received and active for the 24-hour period beginning and ending at 5:00 p.m. Pacific Time <a href="#">for each business day</a> .
708	Adjustment Audit Report	The Contractor shall prepare, by county, a daily report that details adjustments made to EBT accounts including date, time, adjustment type, account type adjusted, adjustment amount, adjusting entity, user, card number, and county adjustment total.
709	Administrative Actions	The Contractor shall prepare, by county, county office, and user identifier, a daily report listing a count of all user-executed nonfinancial actions made using the administrative application or through the host-to-host interface.
710	Administrative Actions Detail	The Contractor shall prepare, by county, county office, and user identifier, a daily report that details user-executed nonfinancial actions made using the administrative application or through the host-to-host interface including the SUID and card number for each action.
711	Administrative Transactions	The Contractor shall prepare, by account type, county, and user identifier, a daily report listing, by county, all user-executed financial transactions made using the administrative application or through the host-to-host interface.



#	Requirement	
712	Administrative Transaction Detail	The Contractor shall prepare, by account type, county, and user identifier, a daily report that details user-executed financial transactions made using the administrative application or through the host-to-host interface including the SUID and benefit authorization number for each transaction.
713	Benefit Draw-Down Totals	The Contractor shall prepare, by account type, county, and benefit type, a daily report that details settlement information.
714	Benefit Type Repayment	The Contractor shall prepare, by account type, service site, and benefit type, a daily report that summarizes repayment transactions against benefit types.
715	Expired User Report	For each application that requires a user identifier, the Contractor shall prepare, by county, county office, user identifier, last access date, and last access time, a daily report of users that have never logged on to the application, and users that have been disabled due to non-use of the application.
716	Retailer Adjustments	The Contractor shall prepare a daily report of statewide food stamp account debit and credit adjustments against retailers that includes each retailer's FNS number, the adjustment tracking number, and adjustment amount.
717	Inactive, Dormant, Expungeable Report	The Contractor shall prepare, by account type, county, benefit availability date, and benefit type, a daily report listing all accounts that have reached an inactive, dormant, or expungeable account status.
718	Manual Authorizations	The Contractor shall prepare, by authorization status, FNS number, and date, a daily report listing all new, active, released (cleared), and expired manual food stamp vouchers.
719	Pending Benefits	The Contractor shall prepare, by county and account type, a daily report of all pending benefits including benefit availability date and benefit type.
720	STARS Totals	The Contractor shall prepare, by account type, a daily report listing the total value of food stamp transactions conducted in the state.
721	State Issuer Totals	The Contractor shall prepare, by county and account type, a daily report that summarizes all activity against EBT accounts.

#	Requirement	
722	Card and PIN Destruction Report	The Contractor shall prepare, by county, a daily report that lists all EBT cards and PINs returned as undeliverable and destroyed to the Contractor or retrieved at the state-leased EBT Post Office Box. This report should include case name, SUID, card number, and address.
723	Hourly Call Volume	<p><u>The Contractor shall prepare for the first ten (10) days of the month, by hour, a daily report that captures, for client and retailer calls, the number of calls received by the ARU, number and percentage satisfied by the ARU, number and percentage transferred to a CSR, number and percentage of PIN calls, number and percentage abandoned while in ARU, number and percentage abandoned while on hold for a CSR, average speed to answer, average time on hold, average talk time, and percentage of calls received that meet service levels.</u></p> <p><del>The Contractor shall prepare, by hour, a daily report that lists the number of telephone calls received by the client ARU/Call Center.</del></p>

#### 6.33.4 Weekly Reporting Requirements

#	Requirement	
724	Retailer Status Report	The Contractor shall prepare, by county, a weekly report that lists all FNS-authorized retailers including FNS number, site name, address, telephone number, FNS REDE file record date, agreement date, enrolled date, ACH form date, number of EBT-only POS terminals, and redemption data from the most recent federal EBT IV Report.
725	Retailer Problem Report	The Contractor shall prepare, by county, a weekly report of all non-active retailers including FNS number, location identifier, site name, address, telephone number, redemption volume, retailer status, problem identifier, and date reported.
726	EBT Host Availability (Performance Report)	The Contractor shall provide a weekly report that presents host availability data including processing uptime, scheduled and unscheduled outages, percentage of uptime and outage time, date of outage, outage start and end time, length of outage, type of outage, and description of outage.

#	Requirement	
727	EBT Switch Uptime Availability (Performance Report)	The Contractor shall provide a weekly report that presents switch availability data including processing up time, scheduled and unscheduled outages, percentage of uptime and outage time, date of outage, outage start and end time, length of outage, type of outage, and description of outage.
728	EBT-only Acquiring Availability (Performance Report)	The Contractor shall provide a weekly report that presents EBT-only acquiring platform availability data including processing uptime, scheduled and unscheduled outages, percentage of uptime and outage time, date of outage, outage start and end time, length of outage, type of outage, and description of outage.

### 6.33.5 Monthly Reporting Requirements

#	Requirement	
729	ARU Transaction Summary	<p><u>The Contractor shall prepare a monthly report that captures by day, for client and retailer calls, the number of calls received by the ARU, number and percentage satisfied by the ARU, number and percentage transferred to a CSR, number and percentage of PIN calls, number and percentage abandoned while in ARU, number and percentage abandoned while on hold for a CSR, average speed to answer, average time on hold, average talk time, and percentage of calls received that meet service levels.</u></p> <p><del>The Contractor shall prepare a monthly report that lists by county, the number and type of ARU/Call Center transactions.</del></p>
730	ATM Activity	The Contractor shall prepare, by city, a monthly report that lists the location, name, address, total number, total amount, average amount, number of surcharges, and surcharge amount of California EBT transactions conducted at ATMs in the state.
731	ATM/POS Out-of-State Usage Report	The Contractor shall prepare, by SUID, a monthly report that lists the number of California EBT transactions conducted at ATM and POS devices located out of state including ATM/POS terminal number, EBT card number, case name, SUID, number of transactions, amount, and retailer name, number, and address.

#	Requirement	
732	Average Daily Response Times	The Contractor shall prepare, by day and response time interval (e.g., 1 second, 1.5 seconds, 2 seconds, etc.), a monthly report that lists the number of transactions within each time interval and the average response time for all transactions on that day.
733	Card Issuance Detail Report	The Contractor shall prepare, by county, a monthly report that lists EBT card issuance details including date, client name, SUID, card number, type of card issued (new or replacement), method of card issuance, county office, and user identifier.
734	Card Issuance Statistics Report	The Contractor shall prepare, by county and issuance type, a monthly report that lists the number of new and replacement EBT cards issued in the state.
735	Cash Access Report	The Contractor shall prepare, by county and zip code, a monthly report that lists all ATM and POS locations where a cardholder may access cash benefits including device type, location name, address, transaction limit, if a surcharge exists, surcharge amount, service codes, and other services provided.
736	Device Type Usage	The Contractor shall prepare, by time and date, a monthly report that presents transaction activity for ATM/POS terminals, totals by device type, and types of transactions conducted by device type.
737	Even Dollar Transactions	The Contractor shall prepare, by county and city, a monthly report that presents details on even dollar transactions including SUID, case name, card number, transaction amount, transaction date and time, terminal number, and retailer number and name.
738	Even Dollar Transactions Over \$200	The Contractor shall prepare, by county and city, a monthly report that presents details on all even dollar transactions over \$200 including SUID, case name, card number, transaction amount, transaction date and time, terminal number, and retailer number and name.
739	Exceeded PIN Attempts Report	The Contractor shall prepare, by county, county office, and cardholder name, a monthly report that lists cardholders who have exceeded the allowable number of PIN attempts including SUID, card number, date, and time.

#	Requirement	
740	Excessive Card Replacements	The Contractor shall prepare, by cardholder name, a monthly report that lists the number of excessive card replacements including SUID, card number, and card replacement date and time. ("Excessive" will be defined by the state and provided to the Contractor after contract award.)
741	Food Stamp Activity	The Contractor shall prepare, by county and FNS number, a monthly report that lists the name, location, county, and total dollar amount of food stamp transactions.
742	Large Dollar Transactions	The Contractor shall prepare, by county and SUID, a monthly report that lists large single transactions including card number, amount, date and time of transaction, and location. ("Large" will be defined by the state and provided to the Contractor after contract award.)
743	Login Report	For each application that requires a user identifier, the Contractor shall prepare, by county, county office, and user identifier, a monthly report that lists users and each user's access level.
744	Lost/Damaged/Stolen Card	The Contractor shall prepare, by county, a monthly report that lists EBT cards that were reported as lost, stolen, or damaged including county office location, case number, card number, and cardholder name.
745	Manual Card Entry Transactions	The Contractor shall prepare, by county and SUID, a monthly report that lists manual card entry transactions.
746	Manual Transactions Report	The Contractor shall prepare, by county, county office, and retailer, a monthly report that lists manually authorized transactions.
747	Monthly Benefit Draw-Down Totals	The Contractor shall prepare, by county and account type, a monthly report that lists summary settlement information including total deposits, total debits, total credits, and the nonsettling net amount.
748	Multiple Transactions on the Same Day – Client	The Contractor shall prepare, by county and SUID, a monthly report that lists multiple transactions conducted by cardholders on the same day including case name, card number, amount, date and time, terminal number, remaining balance, and retailer FNS number and location.

#	Requirement	
749	Multiple Transactions on the Same Day – Retailer	The Contractor shall prepare, by county and SUID, a monthly report that lists multiple transactions conducted by retailers on the same day including SUID, case name, card number, amount, date and time, terminal number, remaining balance, and retailer FNS number and location.
750	Online Transaction Response Times	The Contractor shall prepare, by day, hour, and response time interval (e.g., 1 second, 1.5 seconds, 2 seconds, etc.), a monthly report that lists the number of transactions within each time interval and the average response time for all transactions on that day.
751	PIN Issuance Detail Report	The Contractor shall provide, by county, a monthly report that lists PIN issuance details including PIN method, date, time, card number, SUID, and case name.
752	PIN Issuance Summary Report	The Contractor shall provide, by county, a monthly report that lists the total number of PINs issued and the number of PINs issued by the Contractor or over the counter by counties.
753	Rapid or Repeated Transactions	The Contractor shall provide, by county, city, and retailer, a monthly report that lists the number of rapid or repeated transactions including SUID, case name, card number, amount, date and time, terminal, remaining balance, and retailer name, address, and number.
754	Redemption of Entire Benefit in One Transaction	The Contractor shall provide, by county, a monthly report that lists those cases where the entire benefit was redeemed in a single transaction, including SUID, case name, card number, amount, date and time, terminal, remaining balance, and retailer name, address, and number.
755	State Issuer Totals	The Contractor shall prepare, by county and account type, a monthly report that summarizes all activity against EBT accounts.
756	Transaction Denial Analysis	The Contractor shall provide, by county and county office, a monthly report that lists denied transactions including cardholder name, SUID, card number, retailer, date, device used, time, and denial reason.
757	Transaction Profile	The Contractor shall provide, by county, a monthly report that lists types of transactions conducted, total amounts for each transaction, and the average transaction amount for each transaction type.

#	Requirement	
758	Restaurant Meals Program Eligible Client Report	The Contractor shall provide, by county, a monthly report that lists cardholders who are participating in the state's Restaurant Meals Program, including SUID, card name, card number, and cardholder type.
759	Restaurant Meals Program Food Stamp Activity Report	The Contractor shall provide, by county, a monthly report that lists FNS retailers participating in the Restaurant Meals Program, including FNS number, retailer name, location, number of transactions, and total transaction amount.
760	Wireless Inventory Report	The Contractor shall provide, by county, a monthly report that lists locations where EBT wireless devices are in use, including FNS number, retailer name, POS type, status, device serial number, state asset tag ( <a href="#">when applicable</a> ), and wireless operational date.
761	Language Call Count – Statewide	The Contractor shall provide a monthly report that lists the number of calls to the ARU/Call Center by language.
762	Language Call Count – General	The Contractor shall provide, by county and language, a monthly report that lists the number of calls to the ARU/Call Center.
763	Language Call Count – Request Type	The Contractor shall provide, by county and language, a monthly report that lists the number of calls, by call transaction type.
764	Language Call Count – Case Detail	The Contractor shall provide, by county and language, a monthly report that lists the date, time, card number, and call duration of calls to the ARU/Call Center.
765	Percentage of Calls Answered Within 24 Seconds (Performance Report)	The Contractor shall provide a monthly report that lists, by day, the percentage of calls placed to the ARU/Call Center that were answered within 24 seconds (approximately equivalent to four [4] rings).
766	Average Time on Hold (Performance Report)	The Contractor shall provide a monthly report that lists, by day, the average time on hold for cardholders who are transferred to the Call Center.
767	Percentage of Calls Receive Busy Signal (Performance Report)	The Contractor shall provide a monthly report that lists, by day, the percentage of callers who received a busy signal when calling the ARU/Call Center.
768	ACH Window is Met (Performance Report)	The Contractor shall provide a monthly report that lists, by day, the percentage of time the ACH window for processing debits to government funding accounts is met.

#	Requirement	
769	Timely Completion of AMA and ASAP Test (Performance Report)	The Contractor shall provide a monthly report that lists, by day, the percentage of time that timely completion of settlement requests to the AMA and ASAP systems was met.
770	100 Percent Reconciliation Accuracy Achieved (Performance Report)	The Contractor shall provide a monthly report that lists, by day, the percentage of time 100 percent accurate reconciliation was achieved.
771	Timely Distribution of Settlement and Reconciliation report (Performance Report)	The Contractor shall provide a monthly report that lists, by day, the percentage of time settlement and distribution reports were distributed by 9:00 p.m. Pacific Time on the settlement day.
772	Benefit Posting (Performance Report)	The Contractor shall provide a monthly report that lists, by day, the number of hours that benefits were late in posting.
773	<del>Requirement deleted. Wireless Reimbursement</del>	<del>The Contractor shall provide a monthly report that lists charges associated with wireless charges including access fees, customer service fees, transaction fees, and warranties.</del>
774	<del>Requirement deleted. Telephone Line Reimbursement</del>	<del>The Contractor shall provide a monthly report that lists those retailers who will receive reimbursement for dedicated telephone lines to support EBT-only POS devices.</del>
775	Client Website Statistics	The Contractor shall provide a monthly report, by SUID, county, and state, that presents the number of client website hits by function.
776	Aged User Identifier Report	For each application that requires a user identifier, the Contractor shall prepare, by county, county office, and user identifier, a monthly report that lists user identifiers that are subject to deletion 60 days due to non-use, including last login date, and planned deletion date for each user identifier.
777	Transaction Processing Accuracy Standards	The Contractor shall provide a monthly report that lists, by day, the total number of transactions processed, the number of transaction processing errors per day, and the error type.



**6.33.6 Quarterly Reporting Requirements**

#	Requirement	
778	EBT-only POS Device Inventory	The Contractor shall provide a quarterly report that lists EBT-only POS devices that have been deployed to county offices and retailers including installation date, location, equipment type, manufacturer, model, serial number, and state asset tag number (when applicable).
779	Equipment Maintenance and Replacement	The Contractor shall provide the state with a report listing all maintenance and replacement activities conducted on retailer and administrative equipment.

**6.33.7 Archive Reporting Requirements**

#	Requirement
780	Upon request, the Contractor shall provide an archive report listing all transactions processed by the system for a specific SUID and account type including card number, system date, system time, retailer name, transaction type, error code, and completed amount.
781	Upon request, the archive report shall include an affidavit signed by a company official certifying the authenticity of the information.
782	The archive report shall be provided in text format or Adobe® Reader® format.
783	The affidavit shall be provided in text format or Adobe® Reader® format.
784	An archive report shall only be viewed or downloaded by the user that requested the report.
785	The Contractor shall provide the ability for the archive report to be delivered electronically or mailed.
786	When electronic delivery of an archive report is requested, the report, and affidavit, if requested, shall be sent securely and made available within <u>four (4)</u> <del>two (2)</del> business days.
787	When mail delivery of an archive report is requested, a printed report, and affidavit, if requested, shall be provided to the requestor within <u>five (5)</u> <del>three (3)</del> business days.

## 6.34 Document Management

### 6.34.1 Background

The state requires many documents as part of its EBT program and the Contractor is expected to provide and maintain those documents throughout the life of the project. To further assist the Contractor in understanding what information is to be provided in each document, the state has prepared DIDs for each of these documents. The DIDs for these deliverables are provided in Appendix F. The EBT Project also has a Document Update Schedule for those deliverables that will be maintained throughout the life of the contract. This schedule is provided in Appendix L.

As part of document preparation, the EBT Project maintains OSI Writing Style Guidelines that provide information on the accepted format for documents. (The OSI Writing Style Guidelines is available in the bidders library.) Documents need to conform to the respective DID and OSI Writing Style Guidelines. The content should be comprehensive, include the appropriate level of detail, and be clearly understandable.

The EBT Project currently uses the following document management process for ongoing document updates:

- The Contractor documents all necessary changes to existing documentation using a Revision Expectation Document (RED) template. (A sample of this template is available in the bidders library.)
- All REDs are reviewed and prioritized during a joint document update status meeting between the state and the Contractor.
- Based on approval of the changes specified in the REDs, the Contractor makes changes to the document and submits the document to the EBT Project for approval.
- EBT Project staff review the document, and, once approved, send acceptance in writing to the Contractor.
- The Contractor produces and submits the final updated document to the EBT Project.

The following requirements focus on document management and the submission and maintenance of these documents.

**6.34.2 Document Management Requirements**

#	Requirement
788	<p>The Contractor shall develop and maintain, at a minimum, the following documents:</p> <ul style="list-style-type: none"> <li>a. Staff Management Plan</li> <li>b. Project Management Plan</li> <li>c. Quality Assurance Plan</li> <li>d. Risk Management Plan</li> <li>e. Ongoing Operations Forms Packet</li> <li>f. Network Certification Plan</li> <li>g. Requirements Specification</li> <li>h. Error Corrections and Adjustments Manual</li> <li>i. ARU Documentation (client and retailer scripts/prompts)</li> <li>j. Customer Service Manual</li> <li>k. Card Design Document</li> <li>l. Administrative Equipment Preventive Maintenance Schedule</li> <li>m. County Change in Cash Access Plan</li> <li>n. County Cash Access Plan</li> <li>o. Retailer Conversion Plan</li> <li>p. Model Retailer Agreement</li> <li>q. Retailer Management Plan</li> <li>r. Settlement and Reconciliation Plan</li> <li>s. Training Plan</li> <li>t. Administrative User's Guide</li> <li>u. Detailed System Design</li> <li>v. Statewide Transition Plan</li> <li>w. Database Conversion Plan</li> <li>x. Database Conversion Test Plan</li> <li>y. System Security Plan</li> <li>z. Network Conversion Plan</li> <li>aa. Interface Document</li> <li>bb. Master Test Plan</li> <li>cc. Interface Test Plan</li> <li>dd. Test Scripts</li> <li>ee. Integration Test Plan</li> <li>ff. User Acceptance Test Plan</li> <li>gg. System Capacity Management Plan</li> <li>hh. Continuity of Business Plan</li> <li>ii. Disaster Services Plan</li> <li>jj. End-of-Contract Changeover Plan</li> <li>kk. Reports Catalog</li> <li>ll. Deficiency Management Plan</li> <li>mm. Configuration Management Plan</li> </ul>
789	The Contractor shall adhere to the state's document management process.

#	Requirement
790	Prior to developing the content of the initial document, the Contractor shall submit a table of contents for each document to the state.
791	The Contractor shall obtain the state's acceptance of a table of contents before proceeding in developing the content for any initial document.
792	For each document, the Contractor shall submit three (3) hard copies and an electronic copy in Microsoft Word format compatible with Microsoft Office 2003 or later version.
793	The Contractor shall submit a transmittal letter with each document.
794	The Contractor's transmittal letter shall include the following statements: <ul style="list-style-type: none"> <li>a. "I certify this deliverable has been prepared in accordance with the terms and conditions of the contract."</li> <li>b. "This Contractor has utilized the internal deliverable review process as described in the Quality Assurance Plan."</li> </ul>
795	The Contractor shall complete and include a Deliverable Transmittal Sheet for each document. (The template for this form is provided in the bidders library.)
796	The Contractor shall not change a document that has been accepted by the state without the approval of the state.
797	The Contractor shall update the documents in accordance with the state's Deliverable Update Schedule.
798	The Contractor shall initiate a document update when requested by the state or when necessary due to approved modifications of the EBT system or processes.
799	The Contractor shall submit a RED that proposes changes to a document as a result of a system deficiency, work authorization, or a general need to make modifications.
800	The Contractor shall provide weekly document status during transition.
801	After transition, the Contractor shall participate, at a minimum, in a document status meeting every other week.

## 6.35 Deficiency Management

### 6.35.1 Background

Deficiency management is the process used to identify, document, track, and resolve system outages, system problems, maintenance requests, and questions. The state has broken deficiencies into two (2) major types: outage and non-outage. An outage deficiency includes any loss of EBT functionality that might affect the ability of the EBT system to meet required service levels. A non-outage deficiency is any other problem that results in a failure of the system to perform in accordance with requirements or accepted system documentation, including maintenance requests and questions. Maintenance requests include all requests to troubleshoot, repair, or replace Contractor-maintained equipment deployed to state and county offices. Questions include all other issues and inquiries. The process involves reporting the outage or non-outage, notifying affected parties, correcting or addressing the issue, and documenting results or action taken. The state currently uses System Notification and Incident Report forms to capture and disseminate information related to outages and other system problems. (The System Notification and Incident Report form templates may be found in the bidders library.)

The state seeks an automated solution to capture and record deficiencies. This solution would allow authorized state, county, and consortia users to access a deficiency management system directly and report or view problems/issues. Users will be granted access to the deficiency management system based on parameters to be jointly determined by the state, the counties, the consortia, and the Contractor. Selected state staff will have access to modify records as required and be able to extract data from the system. State, county, and consortia staff will also be able to call, fax, or e-mail the Contractor's staff to report a problem.

### 6.35.2 Deficiency Management Requirements

#	Requirement
802	The Contractor shall develop a Deficiency Management Plan in accordance with the DID provided by the state.
803	The Contractor shall capture all system deficiencies, maintenance requests, and questions reported by the Contractor and state, county, and consortia users.
804	The Contractor shall provide an automated deficiency management solution for the capture, tracking, reporting, and resolution of outage and non-outage deficiencies.
805	The Contractor's automated deficiency management system shall be accessible to state, county, and consortia users.
<a href="#">805.1</a>	<a href="#">Each user shall have a unique user ID.</a>
<a href="#">805.2</a>	<a href="#">The Contractor's automated deficiency management system shall have three (3) levels of access: read only, read and submit, and update.</a>

#	Requirement
806	The Contractor's automated deficiency management system shall allow state, county, and consortia users to report a system problem.
807	The Contractor's automated deficiency management system shall allow state, county, and consortia users to query and view problems/issues captured in the system.
808	The Contractor's automated deficiency management system shall allow state, county, and consortia users to request archived data.
809	<p>The Contractor's automated deficiency management system shall capture, at a minimum, the following data:</p> <ul style="list-style-type: none"> <li>a. Unique identifier</li> <li>b. Tracking number</li> <li>c. Title</li> <li>d. Category</li> <li>e. Date reported</li> <li>f. Time reported</li> <li>g. Reported by</li> <li>h. How reported</li> <li>i. Organization(s) affected</li> <li>j. Status</li> <li>k. Expected date/time of resolution</li> <li>l. Priority</li> <li>m. Assigned to/responsible organization</li> <li>n. Contact telephone number</li> <li>o. Contact e-mail address</li> <li>p. Deficiency description</li> <li>q. Closure date</li> <li>r. State lead</li> </ul>
810	The Contractor shall notify the state of any unscheduled system outage within 30 minutes of identification of the outage.
811	The Contractor shall notify the state of any scheduled system outage five (5) business days prior to the scheduled outage.
812	The Contractor shall notify the state within one (1) hour after identification of an immediate need that necessitates a system outage.
813	The Contractor shall use the state's System Notification template to notify the state of scheduled and unscheduled system outages.

#	Requirement
814	In the case of an unscheduled system outage, the Contractor shall send a System Notification to the state as soon as service is restored.
815	The Contractor shall participate in one (1) or more joint conference calls with the state during an unscheduled system outage, as required by the state.
816	The Contractor shall submit an Incident Report within five (5) business days of resolving an unscheduled system outage.
817	The Contractor shall use the state's Incident Report template to submit details of a deficiency or outage.
818	The Contractor shall use state-defined, contractual priority levels when assigning a priority level to a deficiency.
819	The Contractor shall change a priority level as directed by the state.

## 6.36 Configuration Management

### 6.36.1 Background

Configuration management refers to all activities involved in developing, implementing, and documenting a change to the EBT system. It includes the development of work authorizations that formally request a change to the EBT system or EBT processes. It also includes development and maintenance of an integrated Work Authorization Workplan, which encompasses all work authorizations in process.

To support configuration management, the Contractor is expected to develop a Configuration Management Plan that outlines its processes and standards for managing changes to the EBT system and processes.

Most changes to the EBT system will be initiated using the work authorization process. The state, counties, consortia, and the Contractor may submit requests for changes and enhancements to the EBT system. If the state elects to proceed with the work authorization, the Contractor provides cost and schedule estimates, along with a detailed description of work to be performed for the state's consideration. If the state approves the Contractor's submission, a work authorization will be initiated. The Contractor is expected to execute all changes to the EBT system resulting from a change in federal law. Since all other U.S. EBT customers of the Contractor would be affected, California would expect to only pay its prorated share of any cost.

A Work Authorization Design Specifications document detailing functional and system requirements is used by both the state and the Contractor to finalize the specifications of a work authorization. Focus groups may be formed with stakeholders to verify these requirements, as necessary. Thereafter, scenarios, test scripts, and test plans are created. The change is then verified through unit, production, and User Acceptance Testing. Once all testing is complete and upon state approval, the Contractor can

schedule and move the change into production and complete all associated documentation updates.

As noted in Section 4, Proposed System, the state plans to develop a work authorization shortly after contract award for the Healthy Food Purchase Pilot Program (Health and Safety Code Section 104601), contingent upon state funding for the program. One solution that is being considered would involve issuance by the EBT system of an incentive benefit with a unique benefit type. (Refer to the Healthy Food Purchase Pilot Program Concept of Operations document in the bidders library.)

Possible work authorizations under consideration relate to Tribal TANF and the ISAWS migration. The California Tribal TANF Partnership (CTTP) is a coalition of Native American tribes that are interested in issuing Tribal TANF program benefits using the California EBT system. Since these benefits would be issued and tracked separately from any county benefits, a new county code, limited to cash account benefit types, would be added to support CTTP benefit issuance. Depending on the status of the ISAWS migration (discussed briefly in Section 4, Proposed System) at contract execution, the state may also initiate a work authorization for the Contractor to support interface and system testing involved in the migration effort.

Configuration management also includes state testing of the EBT system and associated processes to ensure any Contractor-initiated system changes or enhancements do not impact operations in California.

### 6.36.2 Configuration Management Requirements

#	Requirement
820	The Contractor shall develop a Configuration Management Plan in accordance with the DID provided by the state.
821	When responding to a work authorization request, the Contractor shall prepare a written work authorization response that includes, at a minimum, the following information: <ul style="list-style-type: none"> <li>a. Description of proposed change</li> <li>b. Requirements</li> <li>c. Proposed schedule</li> <li>d. Deliverable(s) to be updated</li> <li>e. Cost</li> </ul>
822	When the state sends a work authorization to the Contractor, the Contractor shall provide its work authorization response to the state within 15 business days of receipt or on a date agreed upon by the state.
823	The Contractor shall submit a Work Authorization Design Specifications document that details functional and system requirements for any proposed EBT system changes.



#	Requirement
824	The Contractor shall provide the Work Authorization Design Specifications in accordance with the format required by the state.
825	The Contractor shall update the Work Authorization Design Specifications within 15 business days following the identification of state-required changes to the Work Authorization Design Specifications.
826	The Contractor shall develop and maintain a detailed work authorization workplan for implementing an individual work authorization within 45 days of the execution of the work authorization.
827	The Contractor shall develop and maintain an integrated work authorization workplan for all active work authorizations.
828	The Contractor shall submit work authorization workplans using Microsoft Project 2003 or a later version.
829	The Contractor shall participate, at a minimum, in every-other-week work authorization meetings with the state.
830	The Contractor shall provide workplan status at the every-other-week work authorization meetings, including highlights of changes to all work authorization workplans.
831	In preparation for testing a work authorization system change, the Contractor shall develop a Master Test Plan in accordance with the DID provided by the state.
832	In preparation for testing a work authorization system change, the Contractor shall develop Test Scripts in accordance with the DID provided by the state.
833	The Contractor shall send a System Notification to the state <a href="#">one (1) business day</a> <del>five (5) business days</del> prior to moving a work authorization system change to the Contractor's test system.
834	The Contractor shall test all work authorization system changes in a test system prior to implementation.
835	The Contractor shall use the Master Test Plan and Test Scripts when testing a work authorization system change.
836	The Contractor shall provide results of system testing to the state <a href="#">based on test scripts approved by the state</a> .
837	The Contractor shall notify the state when state users can test a work authorization or Contractor-initiated system change in the Contractor's test system.
838	The Contractor shall provide the state with a 30-day test period prior to implementation of any Contractor-initiated system change.

#	Requirement
839	When testing is complete and has been accepted by the state, the Contractor shall move a work authorization or Contractor-initiated system change into the Contractor's production system.
840	The Contractor shall send a System Notification to the state five (5) business days prior to moving a work authorization or Contractor-initiated system change to the Contractor's production system.
841	The Contractor shall implement changes to the EBT system as a result of federal law.
842	For any changes to the EBT system as a result of federal law, the Contractor shall not charge the state any more than the state's prorated share of the cost.